



OVERSEAS NEWS

Compromise saves wheat conference from breakdown

By BRIJ KHINDARIA IN GENEVA

A LAST-MINUTE compromise between the Common Market and the United States to prevent the world wheat price from rising higher than about \$200 a tonne has given a new lease of life to the wheat conference in Geneva although breakdown is still not ruled out.

To make room for further negotiations, the conference, which should have ended last night, is to be extended by successive 24-hour periods in further attempts to conclude an international wheat pact. Delegates will meet for informal talks through the weekend and more meetings are planned for Monday and Tuesday.

The proposed pact would stabilise the world wheat market by buying wheat for storage in national reserves. Reserve stocks when prices were below certain agreed points and by selling when prices were above an agreed maximum. The compromise between the U.S. and the Community concerns the upper price point.

Although details have yet to be confirmed, the U.S. appears to have agreed to give up its earlier insistence on obtaining an upper price level of \$215 a tonne and is willing to accept a price level of \$200 a tonne. This is slightly higher than the \$185 suggested earlier by the Common Market. Developing countries still say they want this price point to be \$155.

A dispute continues between developing nations and the U.S. and Common Market about the lower price points at which wheat would be bought for storage.

Prospects improve for BP-Veba exchange

By ADRIAN DICKS IN BONN

PROSPECTS for the DM800m exchange of interests between Deutsche BP and Veba improved suddenly last night. The Federal Office in Berlin announced that it had completed its review of the letter of intent between Deutsche BP and Ruhrkohle and that the two companies had agreed to withdraw the points to which the office objected.

The letter of intent, the existence of which became known only a week ago, was drafted largely at the behest of Ruhrkohle, which is concerned to protect its future market for coal-derived gas. Although not directly related to BP's planned deal with Veba, which would give BP 25 per cent of Ruhrgas, the letter was important because of Ruhrkohle's own large shareholding in Ruhrgas, which could have given it power to object to the terms of the BP-Veba deal.

Deutsche BP and Ruhrkohle have now dropped a clause that would have given Ruhrkohle an option to buy the BP stake in Ruhrgas, as well as pledging BP's support for Ruhrkohle's desire to acquire a 25 per cent stake of its own. But the cartel office is understood to have agreed to BP's taking on from Veba an obligation to support the aims and goals of Ruhrkohle, contained in the coal group's statutes.

Deutsche BP executives were also optimistic last night about the outcome of the separate review of the Veba deal being carried out by the European Commission in Brussels. No decision from Count Otto Lambsdorff, the West German Economics Minister, is now expected before March. He has to decide whether to uphold the cartel office's objections to the BP-Veba transaction, which it has not modified through its approval of the revised BP-Ruhrkohle agreement.

Industrial orders up 2.5%

By OUR BONN CORRESPONDENT

ORDERS to West German manufacturing industry rose 2.5 per cent during December from the November level, the Federal Statistical Office reported yesterday.

Export orders were up 4 per cent, thanks to a few large transactions that also induced the overall rise, while domestic orders rose only 0.5 per cent. In November and December together, there was a 2.5 per cent increase over September/October.

The strongest growth was in the capital goods sector, once again as a result of large individual deals, where orders were up 5 per cent on the two-month basis of comparison. Semi-manufactures, affected by the steel dispute, showed only a 0.5 per cent rise in orders, while consumer goods fell 1 per cent.

AP reports from Washington: The U.S. Civil Aeronautics Board has given four U.S. airlines authority to fly between U.S. and West German cities.

World Airways was granted routes to Stuttgart, Dusseldorf and Cologne, and Trans World Airlines was awarded New York to Munich, with permission to fly on to Vienna. Delta Air Lines received Atlanta-Frankfurt, both non-stop and via London. Aeromarine received routes to Munich and Frankfurt.

Italy grows fat on its underground economy

By RUPERT CORNWELL IN ROME

MUNICIPAL BUS workers in Bologna have a number of profitable sidelines ranging from taxidermy to giving driving lessons and night club management, according to one recent study. A village near Mantua, in the North, produces quite unofficially 35 per cent of the women's tights sold in Italy. In Puglia in the south employees at a nuclear research establishment usefully supplement their income by growing top quality early spring vegetables.

These are only three isolated examples of what Italians call the submerged economy. Taken individually they are mere curiosities. Taken together the tens or hundreds of thousands of such productive units up and down the country add up to a vast underground economy, existing alongside that which shows up in the official statistics. New research now suggests that this clandestine sector may have assumed such proportions as to force a complete re-assessment of the real wealth of Italy.

Italy of course is not the only country where activity slips through the official net. The intricate web of VAT and high rates of direct taxation have seen to it that Britain has its own growing moonlight sector. France has long had one. But nowhere has the phenomenon reached the level seen in Italy, which in this respect as in

Citibank reduces prime rate to 11.5%

By David Lucelles in New York

CITIBANK, New York's largest bank, joined the downward trend in prime rates yesterday with a cut of 1/2 per cent to 11 1/2 per cent.

The move had been expected because Citibank sets its prime with a formula based on certificates of deposit whose interest rates have been softening in recent weeks.

However, only one other bank, American National Bank and Trust of Chicago, followed suit. The downward trend, the first in two years, was initiated at the end of January by Chase Manhattan, but as of yesterday had been followed by only four major banks.

Analysts are still doubtful, though, that the trend will last. Although short term interest rates have come down since the turn of the year, they became mixed this week and could shortly move up again, analysts believe.

Concern about inflation, the dollar and the economy's continued high rate of growth dominates the credit markets. And though the money supply appears to be in check, officials at the Fed and Treasury continue to emphasise the need for restraint.

French labour unrest grows

By David White in Paris

A PIRATE action by protesting steelworkers has blocked the main rail link between Paris and Luxembourg, in the latest of a series of incidents marking a build-up of French labour unrest.

A group of about 20 members of the Left-wing CFDT union stopped a goods train in a tunnel during the night of Thursday to Friday and tipped its contents—1,500 tonnes of imported iron ore—on to the tracks.

Authorities estimated it would take four days to clear the line, near the town of Longwy in Moselle. The incident coincided with a 24-hour general stoppage in the Orne Valley, another Lorraine steel-making centre, and followed similar protest actions in preparation for a nation-wide steel strike next Friday.

French television is meanwhile having to get by with skeleton staff and "minimum" programmes in view of a continuing strike over job cutbacks at SFP, the main production unit for all three TV channels.

Petrol prices held steady

By Terry Dodsworth in Paris

THE FRENCH Government decided yesterday to let the burden of the recent OPEC oil price rise fall on domestic fuel and diesel rather than petrol.

The decision to keep petrol prices steady, at a time of increasing anxiety about supplies, is seen partly as a political manoeuvre to keep motorists happy and restrain the price index. But it also reflects a better financial position than the country had expected on its oil trading because of the rise in the value of the franc against the dollar. In effect, some of these gains are being passed on to the consumers.

Last year, the country consumed 5.5m tonnes of diesel which is now to go up by seven centimes a litre. Consumption of domestic fuel, increasing by 7.2 centimes a litre, amounted to almost 32m tonnes.

In overall terms, the Government has set a price ceiling on oil imports for this year of FF55bn (£8.5bn), which will mean a 15 per cent increase by comparison with 1978.

THE IRANIAN CRISIS

Reduced role for oil consortium

By ANDREW WHITLEY IN TEHRAN

WESTERN OIL experts now believe that the 14-member consortium led by British Petroleum in Iran will lose its producer position as the price of oil falls to the level of nearly 90 per cent of the country's oil.

Anxious oilmen who have been meeting in almost constant session "to keep the situation under review" are resigned to seeing the consortium's local arm, OSCO, lose control of the central task of production to the Iranian state-owned oil company.

The situation remains highly volatile and no firm predictions are being made. But at least one senior western oil executive here sees the consortium's role in future being reduced to one of selling rather than producing oil. The complete break-up of the consortium, after nearly 25 years in Iran, is also now a distinct possibility.

Another tentative conclusion from early assessments by western oil executives is that Iran is unlikely to produce more than 4.5m barrels a day—compared with over 6m barrels a day before the present crisis—when the political situation stabilises.

The consortium is naturally highly anxious to retain its supplies from Iran and has

asked regularly for meetings to discuss the situation only to be met by hand-wringing from helpless NIOC men.

The basis of Iran's export philosophy in the five years since OPEC prices quadrupled was to sell as much as the markets

the Shah. Iran's economic planners have been given a clean slate as well as a new mandate by the sweeping, nationalist nature of the revolution, and it is highly likely that they will take the opportunity to dislodge the

DR. MEHDI BAZARGAN, Iran's provisional Prime Minister appointed by Ayatollah Khomeini, the opposition religious leader, has called for strikes to continue and the bazaar to remain shut until Dr. Shahpour Bakhtiar, the official Prime Minister, resigns.

But in an address to tens of thousands of supporters at Tehran University he failed to announce the members of his Cabinet or to order any dramatic action to take control of the country.

The speech is an indication that confrontation between the two sides and particularly with the Army, much of which is loyal to the Shah and the present constitution, is being avoided at all costs.

Although Dr. Bazargan said he would announce details of his Government's programme he confined himself to saying that he wanted to take over power, to hold a referendum on an Islamic republic and then to hold elections.

possible price. Whatever program comes to power, the new benchmark is going to be the level of revenue needed to suit a much more modest programme of domestic growth. The export figure will be guided by the need to conserve reserves that would have run out in less than 15 years at the rate set by

need some expatriate expertise for specialised tasks it is unable to handle itself.

It is only now that the Iranian Government will really start feeling the pinch of the drastic shortfall in oil revenues, because of the 60-day delay between liftings and payments. The monthly cheques in early January and early-February were low and the one for next month is going to be disastrous, according to well informed sources.

One foreign staff adds: International oil traders were sceptical of a statement yesterday from the Japanese International Trade and Industry Ministry that the Soviet Union has suspended oil exports to the non-Communist world.

The Soviet Union has been affected by the cut in Iranian gas supplies through a pipeline to southern Russia, but a complete halt in oil sales to the West seems highly unlikely.

Reuter reports from Baghdad: Iraq will resume pumping its oil to the Mediterranean through Syria under an agreement signed yesterday. Iraq stopped using the Syrian route in 1976 after relations deteriorated between the Ba'ath Party factions ruling the two countries.

Qom holds key to battle of the Ayatollahs

By SIMON HENDERSON, RECENTLY IN QOM

IN THE Iranian city of Qom the local police have been keeping inside their station for some weeks and armed soldiers no longer venture through the streets. It is a situation similar to that in many other parts of the country and even districts of Tehran. But Qom offers greater insight to the future for this is the place which may emerge as Iran's effective capital very soon.

The dusty streets of this city (pronounced as in Ee By Gom) 75 miles south of Tehran, enclose Iran's most famous centre of theological learning as well as the home of Ayatollah Khomeini, the opposition religious leader. It is also where Khomeini may find opposition himself from other religious leaders.

It is as unlikely a place of international attention as the village of Neauphle-le-Chateau outside Paris from where the Ayatollah succeeded in ousting the Shah by remote control. For the moment Ayatollah Khomeini remains in Tehran ensconced in his temporary headquarters of a converted girls' school. But sometimes after the conclusion of his political battle for an Islamic Republic he must return to the mosques and minarets of Qom.

The outline of an Islamic State is already there for all to see. Boy scout-type vigilantes direct the traffic. Islamic co-operatives supply food. Only one boy has been found stealing in recent months—he was arrested and warned before his parents were asked to come and take him home.

Islamic republic backed

By ANTHONY McDERMOTT

THE FIRST Islamic defence conference yesterday expressed strong support for the creation of an Islamic republic in Iran in its closing resolutions.

The one-day conference in London on "Defence and the Muslim World" was attended by about 25 delegations from Islamic countries, according to Mr. Salem Azzam, president of the Islamic Institute of Defence Technology, which was set up in Sweden last year.

The final communiqué condemned Israeli occupation of Arab territory and "the brutality of Israel's treatment of Arab detainees". This reflected the influence of the recently published U.S. State Department report on the violation of human rights of Arabs under occupation.

by the Shah. Dr. Shahpour Bakhtiar, has referred to Qom as "a Vatican city" in an attempt to allow the existence of Ayatollah Khomeini's parallel Administration without conceding authority to it. He is also probably hoping that in Qom Ayatollah Khomeini's stand will be weakened by consultation with the other Ayatollahs.

There are three other Ayatollahs in Qom who, like Khomeini, qualify as being Mujtahed (interpreter). They are Ayatollah Shariat Madari, Ayatollah Marashi-Najani and Ayatollah Golpayegani. Other senior Ayatollahs live in Tehran and Mashhad, but there are more in Qom than anywhere else.

The significance of an Ayatollah, as opposed to any other senior priest of the Shiite branch of Islam, is that they are reckoned to be able to pass judgment not just on religious events, but also on day-to-day affairs. Muslims in Iran tend to be followers of one Ayatollah or another.

In the battle of Ayatollahs which may develop, Ayatollah Shariat Madari, a known moderate, will be a key figure. Offering a welcome to anyone who makes the three-hour journey by road through the barren desert outcrop from Tehran, Shariat Madari is a person to whom it is easy to warm. The contrast with the coldness of Khomeini is dramatic.

He holds audiences while sitting on a bed laid out on the floor, himself lying back against two enormous red cushions. An alert old man, aged 76 or 73 depending on whether moon or



sun years are used in the calculation, he has a ready smile and a continuous twinkle in his bespectacled eyes.

But he can be uncompromising too. "No one has a right to express an opinion on religious government except for religious leaders who are experts in Islamic law." Because the majority of the population of Iran is Moslem, the democratic government will be based on the laws of Islam.

The three principles of Islamic government, he says, are: that everything is done for the pleasure of God, that there will be a just distribution of wealth, and that group works will be encouraged. Obviously, he chose as an example that when an Islamic government fights another country it will not be for land or anything else but only for these three principles.

But when the ground between him and Khomeini is examined, those hoping for compromise can be encouraged. Asked whether just any Mujtahed

could appoint an Islamic council (a provisional government) and what happens if two produced two different councils, he replied a provisional government was only formed at some times for certain reasons. If there were disagreement, and if there were critical conditions in the country, the other Ayatollahs would keep quiet. Asked if critical conditions existed now, he replied yes.

A second area of disagreement appeared to be Ayatollah Khomeini's assertions that opposition to an Islamic government would be blasphemy and punishable in Islamic courts. Shariat Madari refused to believe that Khomeini had mentioned secular punishment and held that non-violent opposition to an Islamic government was only punishable by God. Presaged to the crucial question of the difference between the Shah and tolerating opposition and a similar dictatorship by Khomeini, Shariat Madari stuck to his position. He indicated he did not believe Khomeini had said so uncompromisingly, and said he would talk to him about it.

Although Qom was the place where the anti-Shah riots started a year ago and was a focus of trouble for many months, its streets are now a comparative haven of tranquillity. There was no anti-western feeling expressed in myself or my American colleagues as we walked the narrow alleys, surrounded by the graffiti or revolution. Later the contrast was striking on our return to Tehran an insult was made at us as we walked back into the hotel.

Embassy payments inquiry

By DAVID BUCHAN IN WASHINGTON

DOCUMENTS linking the Iranian embassy in Washington with the financing of violent pro-Shah demonstrations in the U.S. capital in November 1977 have been presented to a grand jury in Chicago, the Washington Post reported yesterday.

The Justice Department is investigating the payments, said to have run to millions of dollars and to have been made to U.S. citizens and Iranians, for possible violations of exchange control and foreign agent registration laws.

Iran's outgoing Ambassador to the U.S., Mr. Ardeshir Zahedi, could not be charged by the grand jury because of his diplomatic immunity. But Mr. Zahedi, an intimate associate of the Shah, has been dismissed by the Bakhtiar Government and is to give up his post on February 17. The Washington Post quoted Justice Department officials as suggesting that other Iranian diplomats might be listed in the grand jury investigation as unindicted co-conspirators.

Farm price plan may clear way for EMS

By Margaret Van Hammen

THE EEC Commission has apparently yielded to pressure from West Germany and revised its proposals for farm price arrangements in a bid to unblock introduction of the European Monetary System.

The new proposals will be put to EEC farm Ministers meeting in Brussels on Monday.

They do less to meet French demands than the proposals put to Ministers last Monday, but it is widely felt in Brussels that the French are conceding that their face-averer is as much as they can hope for.

Last December France blocked the introduction of the EMS with demands that monetary compensatory amounts, subsidies and levies on farm trade which neutralise the impact on national prices of currency fluctuations, should not be allowed to grow on a permanent basis.

In response, the Commission last week proposed a flexible programme for getting rid of the amounts created after the introduction of the EMS over a period of up to four years.

Since the Germans show no sign of accepting a system in which price cuts would be automatic, the Commission has introduced changes to enable them to resist such cuts.

At present, currency changes automatically bring a change in the amounts. The Commission originally proposed that such changes should henceforth require a council decision. It is now proposed that the changes should continue to be automatic. Any member state could immediately call a council meeting to review the matter, but a council decision would be needed to stop the changes.

The revisions would tend to raise national farm prices and could meet opposition from Britain.

But since they subsidise German exports, a small appreciation in the Deutschmark would tend to under this system; imply a small cut in German national prices. The Commission had proposed that newly created amounts be automatically phased out over a two-year period which could be extended by up to a further two years. It is now proposing to get rid of them within two years, unless national prices would drop as a result—in which case they could remain.

This means that monetary compensatory amounts in strong currency countries would tend to rise on while those in weak currency countries would go. But weak currency countries, such as France and Britain, would not have to accept any change bringing a national price rise of more than 5 per cent in one year.

Rising prices warning for Japanese

By Richard Hanson in Tokyo

THE GOVERNMENT'S Economic Planning Agency (EPA) yesterday issued its first cautious warning over recent trends toward higher prices in Japan.

The EPA said in its monthly economic report that it is not ready to alter the basic policy of deflating the economy, but said that the sharp rises in consumer prices, mostly due to commodity factors, did call for a slight change in the official stance on price movements.

The Government announced yesterday that the wholesale price index in January rose by a fairly sharp 0.6 per cent from December to stand at 103.9 (1975 equals 100). The index was still 1.6 per cent below a year ago level thanks to month-to-month drops earlier in 1978. The month-to-month increase was the third in a row, however, following 0.6 per cent and 0.2 per cent rises in December and November, respectively.

The 0.6 per cent increase in January translates into an annual pace of 7.4 per cent, or well beyond the official Government target for the next fiscal year from April of 2.3 per cent.

Peruvian oil find by Occidental

LIMA—A major oil find in the jungles of northern Peru, was announced by the Peruvian Government yesterday. General Juan Sanchez Gonzalez, the Energy and Mines Minister, said that the U.S.-based Occidental Petroleum had drilled into a structure with reserves estimated at between 80m and 100m barrels of light oil.

A deposit of 100m barrels would represent an 18 per cent increase in the country's proven reserves which are estimated at 552m barrels.

The announcement ended weeks of speculation that Occidental had found an important new supply.

The minister said that Peru's oil production this year would be over 200,000 barrels a day compared with the present output of 180,000 b/d. He said Peru was exporting between 60,000 and 80,000 barrels a day.

FINANCIAL TIMES, published daily except Sundays and public holidays. Subscription price £205.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

UK NEWS

Talisman tariff will be cut if costs permit

BY CHRISTINE MOIR

DESPITE PROTESTS from some members, the Stock Exchange Council would be reluctant to reduce the tariff for Talisman, the new computerised bargain-checking system...

general services levy should now be abolished, or alternatively, there should be no need to repay the general fund through the capital repayment element in the Talisman tariff.

By-elections in March for safe Tory seats

BY RICHARD EVANS, LOBBY EDITOR

BY-ELECTIONS FOR the two safe Conservative seats of Knutsford and Clitheroe will be held on Thursday March 1.

Mr. David Walder, the Clitheroe MP who died last December had a majority of 6,888.

Opposition woos small parties for censure vote

THE OPPOSITION censure motion on the state of British industry for debate in the Commons next Tuesday, has been drafted carefully to attract the widest support from minority parties...

Sir Keith Joseph and Mr. John Biffen Opposition spokesmen, are expected to comment on the rise in Minimum Lending Rate and its effect on industry and small businesses.

Natural fibre talks set for London next year

BY RHYS DAVID

AN INTERNATIONAL conference on the processing, use and marketing of natural fibres will be held in London from March 10 to 14 next year.

fibres, cotton and wool, will be included. It is hoped that a large proportion of contributions for the conference will come from developing countries.

PERSIAN CARPET SALE TODAY AT SAMAR'S CARPET GALLERY ANNOUNCE A GRAND CLEARANCE SALE OF TOP QUALITY PERSIAN CARPETS!!!

Maxwell offers aid to Kirkby co-op

By John Elliott, Industrial Editor

Mr. Robert Maxwell, former Labour MP for Buckingham, offered last night to use cash from his Pergamon Press business to help mount a £1m rescue of the loss-making Kirkby Manufacturing and Engineering workers' co-operative.

He had talks with the co-operative leaders yesterday and is to meet Department of Industry civil servants early next week.

He said that Pergamon Press, which is wholly-owned by Maxwell family interests, would provide the cash.

Capital

The initial £2m would have included £1m for buying the factory from its landlord, International Property Development, which it is understood Mr. Maxwell considers unnecessary.

Industrial catering 'growing'

INDUSTRIAL CATERING continued to be a growth market, according to Miss S. L. Mitchell, chairman of the Industrial Catering Association.

Police reopen pit inquiries

POLICE have re-opened investigations into a fatal pit accident almost three months ago to discover if there is any question of criminal negligence.

NEWS ANALYSIS-CORBY

How a town's fears came true

BY ROY HODSON

THE 56,000 people of Corby, the little Northamptonshire town which grew up around its steelworks, were not unprepared psychologically for the blow that has fallen on them.

iron and steelmaking and associated local iron-ore quarrying, with a loss of 5,500 jobs. British Steel wants the closure to be achieved with the least possible delay because Corby's usefulness is at an end now that 5.5m tonnes of new (and low-cost) iron and steelmaking is to be produced at Ravensaraig, Scotland, and Redcar, Teesside within the next 12 months.

is the amount Corby District Council receives in rates from British Steel for the iron and steelmaking plants. All would have been so different if the scenario sketched out in the management consultants report could have been played out in real life.

After the last tonne of steel is made unemployment will certainly be above 20 per cent. Coopers and Lybrand estimated that a partial steel works closure would cause 21 per cent unemployment in Corby.

least 3m tonnes of liquid steel a year compared with under 2m tonnes. That steel will be made for at least £40 a tonne less than Corby-made steel.

Laid-up ship tonnage falls

BY LYNTON McLAIN

THE TONNAGE of world shipping idle was 20m dwt less in the last quarter of 1978. The latest figures, however, from the General Council of British Shipping, show that 30 ships registered in Britain were laid up at the end of 1978, representing 7 per cent of the fleet, a greater proportion than for the rest of the world.

Tax deposit certificate interest up

By David Freud

INTEREST RATES for certificates of tax deposit are raised from next Monday for the second time in a month. The certificates, operated by the Inland Revenue, may be bought in advance for surrender in payment of all taxes except PAYE, You-Earn and tax deducted from payments to subcontractors.

London-Ostend Jetfoil delayed

BY LYNTON McLAIN

PLANS FOR a high-speed Jetfoil service linking Central London with Ostend have been postponed, P & O Ferries, said yesterday.

Unigate sponsors 'real' tennis

BY LYNTON McLAIN

UNIGATE, the milk and dairy foods company, is to sponsor "real" tennis, the ancient sport from which lawn tennis is derived.

Averys takeover report

BY MAX WILKINSON

THE Office of Fair Trading said yesterday that it had completed a report on whether a possible takeover of Averys, the weighing machine company, by the General Electric Company should be referred to the Monopolies Commission.

bid, following its investigation of the possibility of taking over Averys. GEC announced last December that it might make an £85m offer, but after discussions between the two companies the Averys Board said it was again a take-over.

Jobs for 12,000

NORTHAMPTON Development Corporation's campaign for diversification of industry has attracted 37 foreign companies to the town in eight years.

Holiday threat as pay dispute forces waterway closures

BY LYNTON McLAIN

BOATING HOLIDAYS on British canals may be disrupted this summer unless the Government allows the British Waterways Board to meet a 21 per cent pay claim by maintenance staff.

Trader train will boost Manchester in Europe

FINANCIAL TIMES REPORTER

MANCHESTER BUSINESSES are to take their export drive to the Continent in a special train which will visit five major cities in September.

RTZ smelter plans shelved

FINANCIAL TIMES REPORTER

PLANS FOR the expansion of the Anglesey aluminium smelter at Holyhead, jointly owned by RTZ and Kaiser Aluminium, have been shelved because of failure to agree on electricity charges.

DOUBLE YOUR MONEY EVERY YEAR. In this month's edition of the World Money Analyst, editor, Mark Ter, shows you how you can double your money every year by using a conservative investment strategy...

THE SPEAKING CLOCK. AT THE THIRD STROKE MATCH OF THE DAY WILL START, PRECISELY. Illustration of a clock and a person.

UK NEWS

Poll says Welsh will reject assembly

By Robin Reeves  
THE GOVERNMENT'S proposal for a Welsh assembly will be decisively rejected in the March 1 devolution referendum, according to a poll published by BBC Wales last night.

It indicated that 33 per cent of the people planning to vote on St. David's Day, will support the setting up of the assembly, a drop of 4.3 per cent compared with a similar BBC poll last autumn. More than 45 per cent said they would be voting against, a decline of 2 per cent compared with the earlier poll.

**Culture**  
At the same time, the poll findings suggest there will be a large turnout on March 1. Nearly 70 per cent of those questioned said they would cast their vote.

Those intending to vote "yes" gave, as their chief reasons, that a Welsh assembly would have more time to consider the special needs of Wales, it would protect jobs and living standards and could help protect Wales' language and culture.

Those intending to vote "no" were mainly concerned that a Welsh assembly would involve extra costs, create another tier of bureaucracy, and be the first step towards the break-up of the United Kingdom.

Tory front

Two MPs yesterday challenged the anti-assembly "Scotland Says No" campaign to disclose its source of income.

Mr. Jim Sillars, breakaway Scottish Labour Party MP for South Ayrshire, and Mr. George Reid, Scottish National Party MP for Clackmannan and East Stirling, who are both campaigning on behalf of the "Yes for Scotland" group, said the anti-assembly group had all the appearances of a Tory front organisation. But it was wider than that in representing every vested interest which wants to keep the Scottish people powerless, they said.

The two MPs said that the "No" campaign was "wholly negative" yet had "seemingly limitless" funds.

Council workers threaten move on devolution

By Our Welsh Correspondent  
INDUSTRIAL ACTION by public-service workers is threatening to prevent the referendum on assemblies for Scotland and Wales from going ahead on March 1.

School caretakers and other members of the National Union of Public Employees in North Wales voted yesterday to close schools in an attempt to prevent their use as polling stations for the devolution vote.

They backed a one-week strike beginning on February 26, 48 hours before polling day. The union's members in Scottish schools have asked for permission from the union's executive council to do the same, and moves are afoot to spread the action to schools in the rest of Wales.

However, in Cardiff, Mr. Alec Jones, Welsh Under-Secretary, said that there was no question of the Referendum being postponed. If necessary, polling stations would be switched to chapels and other buildings.

BL cannot sustain long strike—Varley

BY IVOR OWEN

BL CARS is in no position to survive a long break in production, Mr. Eric Varley, Industry Secretary, emphasised in the Commons yesterday.

He appealed to the workforce to weigh carefully "the serious consequences" of a strike. He urged the 20,000 workers who downed tools at Longbridge on Wednesday to return to work, accept the need for continuity of production and seek a solution through "talking rather than walking."

Labour backbenchers joined Tory MPs in insisting on a limit to "further taxpayers' money to keep BL Cars in business."

Mr. Norman Lamont, a Conservative industry spokesman, said: "Whatever the rights and wrongs of the dispute about party payments, one thing is certain: BL cannot afford a long strike."

"If the BL market share falls even further, no Government, Labour or Conservative, will be able to do anything to rescue them."

Mr. Varley replied: "It is true that BL cannot sustain a long strike, nor could the Government sustain a long strike on the basis of providing further public funds."

He refused to be drawn into estimating the likely extent of further financial provision, since the National Enterprise Board had only just received BL's corporate plan. The Government would offer its proposals later.

Mr. Varley said that in talks with Sir Leslie Murphy, the Board's chairman, and Mr. Michael Edwards, BL chairman, on Thursday night, a genuine misunderstanding with the trade unions over productivity figures had emerged.

He hoped that had been cleared up and that the relationship between management and unions would improve.

Productivity, he confirmed, had been "patchy" over the past few months. That was why party payments had been withheld.

Mr. Varley described produc-

tion in November—3.3 vehicles man—as "very, very bad."

Contrary to some reports, production last year was 30,000 vehicles down on 1977.

Mr. Willie Hamilton, Labour MP for Five Central, gave a blunt warning that the enormous limits to the patience of the taxpayers were coming to an end. "They are not prepared to finance any further inefficiency in BL."

Mr. Varley agreed that the Government had approved the rescue of BL in 1975 and provided for other car manufacturers so that the British industry would move towards internationally competitive levels of productivity.

Mr. Michael Grylls, Conservative MP for N.W. Surrey, questioned how the BL workforce would respond to a report that Lord Stokes was being offered a two-year contract for "doing nothing" in retirement at £50,000 a year.

Mr. Varley declined to comment on the position of individuals.

National ambulance strike threatened

By Alan Pike, Labour Correspondent

UNIONS WARNED yesterday that the country faces the possibility of all ambulance services handling only emergency calls from Tuesday week.

Shop stewards from the four public service unions representing ambulance staff will meet in London then to decide the next move in their pay campaign. Mr. Terry Mallinson, national officer of the Confederation of Health Service Employees, warned yesterday that time was "beginning to run out."

He said ambulance staff would almost certainly be asked to extend the action if there was no improved offer.

A lasting settlement was needed which would reflect the emergency status of ambulance staff and reward them for the vital, skilful and often unpleasant nature of their work.

Ancillary staff at the Queen Elizabeth Hospital for Children in East London yesterday voted to take further strike action, although they have not yet decided when it will begin. They have just returned to work after a 48-hour stoppage.

Iran contracts worry union

THE Transport and General Workers' Union has informed Mr. Fred Mulley, Minister of Defence, that it will oppose any redundancies caused by cancellation of Iranian defence contracts in Britain.

The union, which claims to represent most manual workers in ordnance factories and dockyards, says it is particularly concerned about loss of jobs in the Leeds plant.

It asks the Minister to consider again the union's ideas for diversification.

Cabinet and TUC to view new pact

BY CHRISTIAN TYLER, LABOUR EDITOR

THE FINAL draft of a TUC-Government agreement on economic and industrial relations has been prepared for endorsement by Cabinet Ministers and the full TUC General Council on Wednesday.

The two TUC committees that have been preparing the document met with Ministers finally yesterday, when a few amendments were made.

The agreement, hastily put together in a few weeks to repair the electoral damage done by recent strikes, is expected to contain no great policy surprises.

The TUC, which has refused to accept a Stage Four pay policy, has given the Government nothing that would alter

negotiations in the present round.

Further ahead, the two sides have concurred on the need, stated by the TUC-Labour Party liaison committee, for a joint annual review of the economy to see what the country can afford in wages and investment.

However, no reference is likely to a relativities board, an idea canvassed recently by the Prime Minister and within the Other joint economic objectives will be substantially restated.

On industrial relations, the TUC has rejected some of the more novel requests of Ministers—on the closed shop, for instance. But guidance will be given on picketing—to limit it to the premises of companies

closely involved in disputes—on striking, and on adherence to the TUC's rules for preventing inter-union disputes.

The TUC has also promised to look at means of making it unnecessary for workers in sensitive jobs such as the emergency services to take industrial action, by giving them a form of wage protection.

But the main purpose of the pact is political rather than industrial. It will enable the Prime Minister to assert on Wednesday that the Government and unions once more see eye to eye—except on the present income policy—and may to some extent arm the Government against disaster if a snap election became unavoidable.

Union chief 'astonished' by Milne's decision

By Paul Taylor

LORD ALLEN, general secretary of the Union of Shop, Distributive and Allied Workers, told a High Court judge yesterday that he was astonished when he heard that Mr. Edward Milne had decided to stand for Parliament as an independent Labour candidate in the February 1974 General Election.

The union, which had sponsored Mr. Milne as Labour MP for Blyth, Northumberland, for 14 years, had "desperately" wanted to re-nominate him as official Labour candidate, Lord Allen told Mr. Justice Foster.

But Mr. Milne had been involved in a long-running dispute with Mr. Peter Mortkakis, the Blyth Labour Party agent.

"We were trying in the interests of himself and the Blyth constituency party to get him to bury the hatchet with Mr. Mortkakis," said Lord Allen.

Mr. Milne, 62, lost sponsorship as an MP and his right to office as an area organiser with USDAW because of his decision to stand for Parliament in

opposition to the official Labour candidate.

He is challenging the union's right to deny him office and claiming salary arrears of about £14,000, or damages for loss of office.

He also seeks a declaration that since entering Parliament in 1960 he has been retained in the union's service and that after February 10, 1974, when Blyth Constituency Labour Party decided not to re-adopt him, he had been entitled to a post in USDAW not less favourable than area organiser.

Lord Allen said it became quite clear that Mr. Milne was not interested in "burying the hatchet" and continuing to work with Mr. Mortkakis.

"He said he was not prepared to take up the pieces and contest the constituency as we wanted him to."

The decision had put Mr. Milne in breach of the union's Parliamentary representation scheme.

The hearing continues.

Drawing office sit-in over

By Paul Taylor

A DISPUTE involving 100 draughtsmen at Haverton Hill, Tossie, ended yesterday with the signing of an agreement guaranteeing delivery of a Bank Line container ship by next January.

Talks were held between British Shipbuilders, the company, and the men's union, TASS, before the men agreed to end their sit-in which began in mid-December.

A spokesman for the yard, part of Smith's Docks, said yesterday that the draughtsmen were to receive an "ex gratia" payment to compensate them for loss of earnings while on strike.

The dispute was aimed at preventing recognition by British Shipbuilders of the Engineers Managers' Association—to which TASS is fiercely opposed. It culminated in the draughtsmen refusing to talk to supervisors who are members of the EMA.

British Shipbuilders recently announced its intention of recognising the EMA. The Bank Line ship—which it was feared may have been built in Germany—will be built at the South Bank yard of Smith's Dock, which employs 1,000 men.

Tory anger as parties fail to agree on ballot TV time

BY RICHARD EVANS, LOBBY EDITOR

THE POLITICAL parties have failed to agree on a scheme to allow both sides in the referendum campaign in Scotland and Wales to have two broadcasts each in the run-up to the March 1 devolution vote.

They have had to fall back on their original allocation of political broadcasts for referendum programmes.

This means that the Conservatives will have the plum slot on Wednesday, February 28, the eve of the poll. Labour's broadcast will be on February 27, the Scottish National Party

on February 23 and Plaid Cymru on February 26. The Liberal's broadcast will be on February 23 in Wales and February 26 in Scotland.

Although they are having the last say, the Tories are livid at the way the protracted talks with the BBC and Independent Broadcasting Authority have turned out. The outcome means that the Conservatives, with the only "Vote No" message, will be outnumbered three to one in the final days of the three-week campaign.

Mr. Teddy Taylor, shadow Scottish Secretary, called the allocation "shameful" and said,

if there was a Yes vote because of the loading of the broadcasts, there would be a deep feeling of resentment in Scotland.

The decision also means that there will be no broadcasting voice for Labour opponents of devolution, Tory pro-devolutionists or for umbrella organisations containing members of all parties.

Both broadcast authorities were keen on two broadcasts for each side, similar to the arrangements during the Common Market referendum, but they could not get agreement from the parties.

IBA opposes plan for fourth channel

BY COLLEEN TOOMEY

AN Open Broadcasting Authority would not work, said Mr. Anthony Pragnell, deputy director-general of the Independent Broadcasting Authority, in London yesterday.

"The experience of this country in recent years shows the need for important public enterprises to rest on a sound financial and structural base."

"The current experience of the BBC in trying to make ends meet on insufficient money is a more direct warning against the creation of an uncertainly financed broadcasting system."

Mr. Pragnell said that the White Paper on Broadcasting took the IBA's proposals and tried to force them into the idea of a separate broadcasting authority. The result was likely to be a "hotch and a muddle."

The IBA has proposed that it should provide the fourth television service, which would be complementary to existing services; that the total advertising revenue of the two complementary services would be available for their joint programme production and needs, with the second service cross-financed from the first.

She denied having instructed private contractors to clear the council's 24 official emergency refuse tips, but said that such a decision would be reviewed regularly to ensure that no public health hazard arose and that the emergency tips did not become full.

On Monday the council is to negotiate with its manual workers and Mrs. Porter hopes that agreement can be reached—outside the national negotiations—to ensure that Westminster's dustbins are kept empty and its streets clean.

'Dustbin contracts' may go private

By Paul Taylor

WESTMINSTER CITY Council is to study the feasibility of using private contractors to clear dustbins in the long term.

Private contractors have been used this week because of the manual workers' dispute to clear rubbish from streets in London's West End where there is a fire or health risk.

Mrs. Shirley Porter, chairman of the council's highway committee, said last night that she was "fed up with pussy-footing around."

Although the primary objective remained to get the council's own dustmen back to work, in the longer term the council would study the possibility of using private contractors.

She denied having instructed private contractors to clear the council's 24 official emergency refuse tips, but said that such a decision would be reviewed regularly to ensure that no public health hazard arose and that the emergency tips did not become full.

On Monday the council is to negotiate with its manual workers and Mrs. Porter hopes that agreement can be reached—outside the national negotiations—to ensure that Westminster's dustbins are kept empty and its streets clean.

Stockbroking firms to merge

BEARDSLEY BISHOP, the 14 partner stockbroking firm, is to merge with Robert Escombe Sampbell next month.

The new firm will be called Beardsley Bishop Escombe.

Mr. Charles Vertue, senior partner of Beardsley Bishop, said yesterday that the move was a logical extension of his firm's activities.

Wool textile industry expects better demand

DEMAND PROSPECTS in the world wool textile industry for the second half of 1978-79 are "quite promising," according to International Wool Secretariat economists.

While the overall economic climate is subdued, some factors indicate higher demand for

wool. Sales for the full season should increase over 1977-78.

The economists base their views on "some encouraging demand signals" from the main consuming countries and an expected 3 per cent fall in wool supplies—since world production has risen—reflects a smaller carry-over.

The "drying-up" of South American wool a year ago acted as a market boost. This season more than 60 per cent of the Uruguayan clip has already been sold, and certain types of Argentine wools have been bought up completely.

Stocks of raw wool in several of the major consuming countries are lower than a year ago. In the EEC stocks are about 40 per cent down on two years ago. Japanese stocks are at their lowest for several years.

The economists see the demand for clothing and textiles in the next six months as clouded by uncertainties. "But prospects are brighter than they were a year ago, and the wool textile industry itself appears to be in rather better shape than seemed likely last autumn."

GLC gives pledge to Helix tenants

BY PAUL TAYLOR

THE GLC assured Helix Housing Association tenants yesterday that they would not be made homeless. The council had earlier taken possession of 41 properties following a dispute over the terms of council mortgages to Helix.

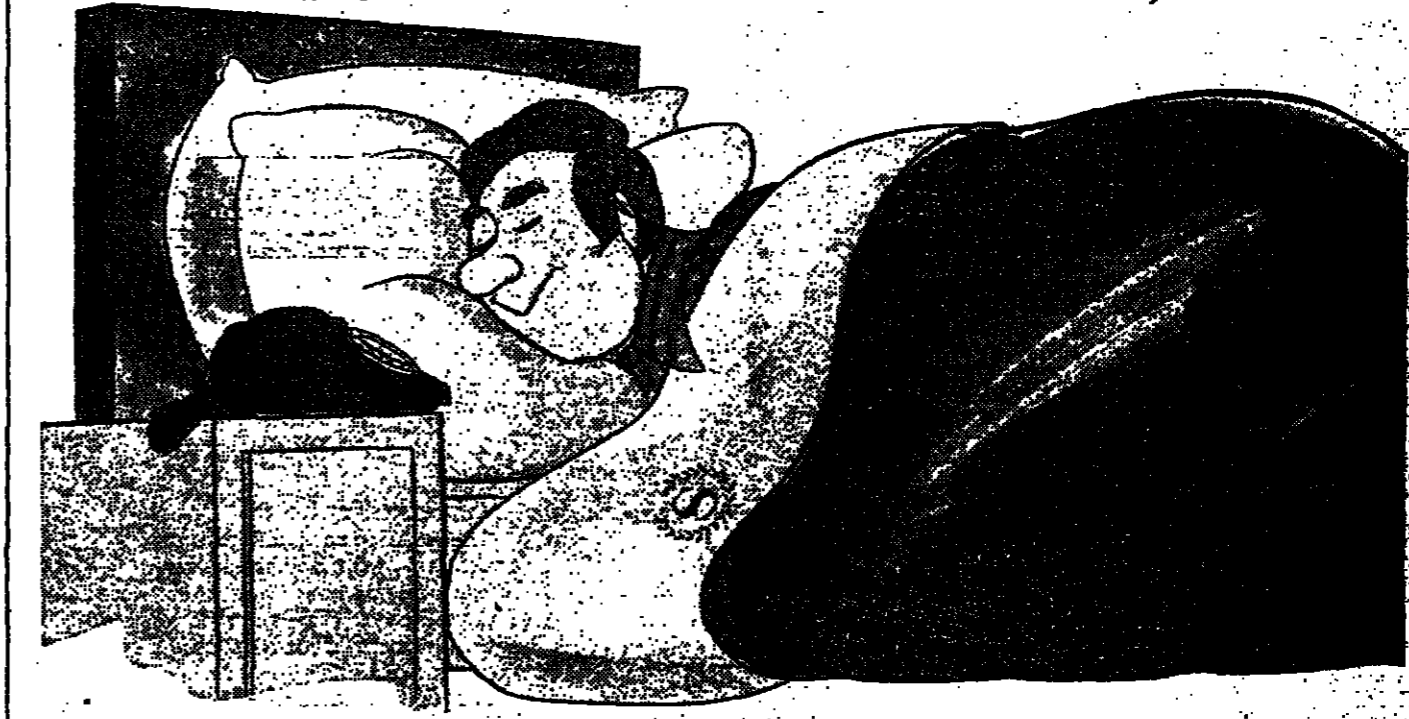
The GLC, which has lent the association £2.7m, claims that it is owned substantial mortgage arrears and that Helix has not met some of the other conditions attached to the loans.

attempting to secure repayment of loans outstanding and has been considering repossession of some properties.

Mrs. Jean Tatham, chairman of the council's housing management committee, said yesterday that she would take a personal interest in the welfare of Helix tenants affected by the GLC's actions. There was "no question of putting tenants out on the streets."

The council has set up an all-party committee to investigate its dealings with the association, which owns nearly 300 properties.

How not to lose any sleep over an early morning flight.



The big thing about relaxing at the Sheraton-Heathrow the evening before your flight is this: you can make it to the airport in comfort next morning. Feeling relaxed, refreshed, and ready to enjoy your trip.

From pre-dinner cocktails to pre-flight transport Sheraton services have been finely tuned to your needs in over 400 Sheraton hotels in 40 countries. (A comforting thought in itself.)

Enjoy a meal in our new Ascot Grill or the coffee shop which is open from 6 am to 12 midnight for a late meal. Or even later light meals from room service.

You may decide on a dip in the heated pool. Or a sauna. Even a massage.

Or you can settle into your air conditioned room with your automatic bar and colour T.V. direct-dial phone and electric trouser press. Full sound-proofing ensures undisturbed sleep. And you can rise, and breakfast, at a civilised hour, because Heathrow is only minutes away.



Sheraton-Heathrow Hotel LONDON AIRPORT

A CAPITAL TRANSFER TAX PLAN

Suitable for: Controlling Directors of private companies, property owners, land owners, and private investors wishing to retain control of their assets and income whilst using current legislation to pass on capital at death to chosen beneficiary free of capital transfer tax.

For further information and a confidential discussion on your financial affairs contact:

ANDREW MACHUTCHON & PARTNERS LTD.  
36 Moorgate Road, Rotherham S60 2AG  
P.O. Box 419, 38/40 Kennedy Street  
Manchester M60 2BP Telex 547618  
Wardgate House, 59a London Wall, London EC2

Lawyer • CPA • Banker Team  
Offers Participations in Apartments • Office Buildings • Hotels And Other Investments  
...Southern United States  
The Gentry Company  
Contact Frank H. May  
010 404 555-8283  
Two Northside 75 • Suite 302 • Atlanta Georgia 30318

# THE WEEK IN THE MARKETS

## The Bank catches up

IT HAS been an eventful week for the gilt market. A 14 point rise in Minimum Lending Rate, which has now more than doubled in a year, following banking figures which suggested that the monetary targets were being significantly exceeded, and capped by the exhaustion of a tap stock, made for a certain amount of excitement. But the market, though anxious to be persuaded that a solid floor level has been reached, remains depressed by what it sees as the Government's political indecisiveness.

The rise in MLR was little more than an admission on the part of the authorities that the sharp rise in money market rates over the last few weeks had been justified. For the fifth time in less than a year, monetary policy has been tightened without the slightest fiscal adjustment—barring the raising of employers' National Insurance contributions to compensate for the Government's defeat on petrol duty.

With an almost embarrassing cut in the long tap rate, amounting to over £8.50 including accrued interest since it was last officially supplied, the Government Broker managed to do some funding on Thursday afternoon and yesterday morning, when the stock was already exhausted. There were also some sales of the short tap at 4½ points below its price on issue three weeks ago.

The tap sales should soothe the market's worst fears about money supply growth in the February banking month, which ends next week. There was also relief that no new tap was announced yesterday afternoon: the market is being given some time to get its breath back. But gilts, though steadier yesterday,

were still well down on the week as a whole and long yields are nudging 14.7 per cent.

Adding to the projected strain on corporate liquidity from higher interest rates are the total collapse of Government efforts to impose a 5 per cent wage rise ceiling and a sharp lift in manufacturing input costs.

### Gold, black gold

Gold has led the way forward for other metal prices but all the evidence in London so far suggests that investors have been fuelling the boom through direct commodity purchases and largely ignoring gold mine shares. The oil crisis, on the

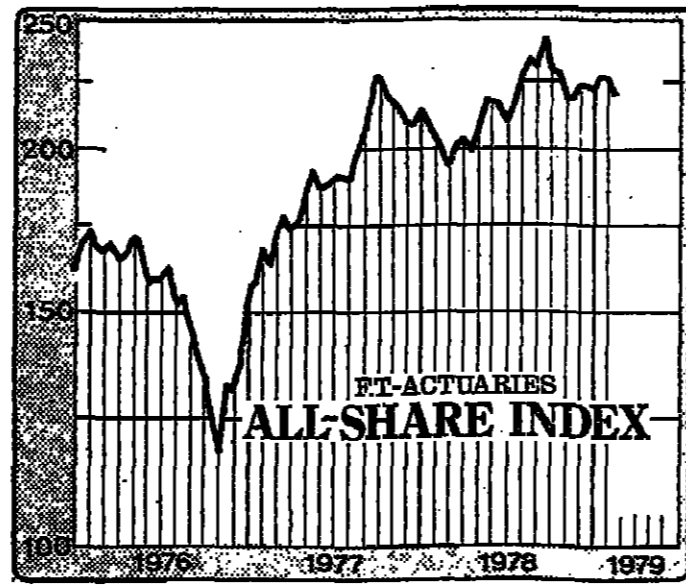
from the current level is by no means beyond the bounds of possibility and would be of direct benefit to other producers, at least in the short term.

Oils comfortably outperformed the rest of the market last week and are widely expected to repeat that performance as the new account opens. Some of the North Sea specialists have been especially strong on the view that their oil reserves are rising in value.

Reverberations from the industrial relations front and the gilt-edged pitch were sufficient to unsettle the market and, while the second line stocks held up reasonably well, leaders slumped to the lowest levels for some 10 months.

The direct consequence of the 1½-point rise in MLR was to heighten doubts as to whether United Dominions Trust and Town and City Properties, reporting last week, can ease their enormous debt burdens. UDT was only marginally down at the interim stage but, with around three-quarters of its instalment credit book tied to fixed rate business, annual profits are expected to fall substantially short of the previous £17.5m total.

Town and City has demonstrated its ability to stay afloat for so long that it is doubtful whether this latest interest rate hike will be sufficient in itself to block the group's dogged survival path. Interim results last week showed that the trend had been going in the right direction with the deficit reduced from £10.97m to £7.68m. British Land actually returned to profit at the interim



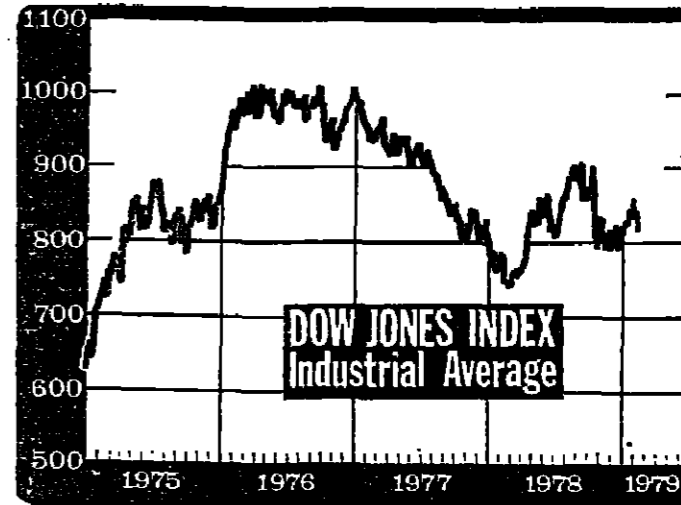
NEW YORK  
JOHN WYLES

## Not for the faint hearted

WITH PRESIDENT CARTER, as Barron's the U.S. financial weekly observed recently, "there is never a live moment." It is difficult to recall a Chief Executive whose public utterances have been less attention grabbing in modern times. But Jimmy Carter can draw a perverse comfort from the fact that his cabinet officers are at times capable of turning his Administration into a sort of Tower of Babel. This at least is the impression from Wall Street which had been hoping that the Administration had learned a few hard lessons last year about the impact that its statements can have on the financial markets.

Energy Secretary James Schlesinger and Treasury Secretary Michael Blumenthal have exchanged burning glances on Thursday about Mr. Schlesinger's statement the day before that the upper in Iran was "prospectively more serious" than the 1973-74 Arab oil embargo which, it will be remembered, did the western economies a power of harm. Mr. Schlesinger's doom laden observation will well prove to be accurate but the fact that it was not accompanied by any positive commitments to put the lid on U.S. energy consumption made it appear unnecessarily provocative. It drove the dollar down, pushed the world gold price to a new high, maintained the stock market's downward trajectory and apparently irritated the U.S. Treasury.

In Congressional testimony on Thursday, Mr. Blumenthal observed that his colleague's remark was "clearly the type of thing that causes people to run to gold." He went on to administer a sedative to investors in the shape of a reaffirmation that the U.S. was determined to counter disorderly conditions in the foreign exchange markets. Mr. Schlesinger changed his emphasis a little on Thursday and declared that there must be no



over-reaction to Iran. The situation was "serious" but not "critical."

Thus Iran, the dollar and Administration disharmony have made the stock market a difficult place for the faint-hearted this week. The Dow Jones Industrial Average has slid nearly 5 per cent from its 1979 high of 859.75 and the Standard and Poor's 500 has retreated by a similar amount. With a daily trading volume of around 25m shares, this week, institutional interest is clearly scant and may well remain so after Friday's Producer Price Index. This equivalent of a wholesale price index leaped at an annual rate of 15.6 per cent in January, and sees some way towards confirming expectations of a 10 per cent or more inflation rate in the first quarter.

Barry Bosworth, the Director of the Council on Wage and Price Stability, who plays Casandra on inflation some days and Polyanna on others, this week forecast a rate for the year of about 8 per cent which may be optimistic, given the impact of Iran on fuel prices, a possible 10 per cent or more increase in food prices, and recent price surges in metals. The S and P 500 is currently

selling on a price earnings ratio of about 8.3 to yield 5.45 per cent which is altogether unimpressive against a yield on short term money market instruments of more than 10 per cent and on long term bonds of more than 9 per cent.

Double digit inflation figures and historically high returns on fixed income investments offer little incentive for institutions to add to their equity portfolios, which presently account for about 50 per cent of assets. Ayatollah Khomeini's somewhat blurred vision of an Islamic republic, selling less oil and buying less military hardware has prompted some institutional house cleaning in the past week. Fuel sensitive stocks, particularly airlines have felt the draught and defence manufacturers such as General Dynamics and Boeing have also been sold off. Since gold is the 21 carat investment of the day, producers of the metal have had lustrous appeal. Dume Mines gained 2½ by last night while Home-Sake Mining and Campbell Red Lake have also been popular.

### CLOSING INDICES

Monday	\$23.98	-10.65
Tuesday	\$24.32	-1.13
Wednesday	\$16.01	-6.34
Thursday	\$18.87	-2.86
Friday	\$22.42	+3.55

## LONDON ONLOOKER

other hand, has had a marked impact on Royal Dutch/Shell and British Petroleum.

Crude oil prices have now reached \$22 per barrel on the Continental spot markets and this marginal free market price is probably set to go higher.

The City believes that the crisis may be no more than a six-month wonder in profit terms and considers that Shell will fare rather better than BP since it is not drawing on external sources to anything like the same extent. Nevertheless, the majors are expected to receive substantial "windfall" gains in the shape of stock profits.

A decision by the Organisation of Petroleum Exporting Countries to lift the official delivered price of crude oil

## Debt burdens

The direct consequence of the 1½-point rise in MLR was to heighten doubts as to whether United Dominions Trust and Town and City Properties, reporting last week, can ease their enormous debt burdens. UDT was only marginally down at the interim stage but, with around three-quarters of its instalment credit book tied to fixed rate business, annual profits are expected to fall substantially short of the previous £17.5m total.

Town and City has demonstrated its ability to stay afloat for so long that it is doubtful whether this latest interest rate hike will be sufficient in itself to block the group's dogged survival path. Interim results last week showed that the trend had been going in the right direction with the deficit reduced from £10.97m to £7.68m. British Land actually returned to profit at the interim

## Imps and the Budget

example, tobacco duty is raised by 5p per packet of cigarettes. It is by no means certain that the Chancellor will hoist duties in real terms but valorisation (whereby duties are linked to inflation) still leaves plenty of scope for an unpopular Budget. The bid scene was again dominated by the English Property Corporation saga and the most recent development—announced yesterday—whereby the Dutch suitor appears to have brought off a tactically powerful move in Canada, could prove the crucial blow.

Guthrie Corporation has produced a robust defence against the £122m bid from Sime Darby. A projected 40 per cent net total dividend rise and a revaluation to show net assets of £25p per share (Sime Darby is offering 45p) may prompt a higher offer.

Shares in Avery were wanted on speculation that GEC was finally going to make the offer which it first mooted last November, while Caledonian Holdings, already in receipt of an offer from London and Midland Industries, moved higher on the announcement that Comet Radiovision had raised its holding to 15 per cent.

## U.K. INDICES

Average weeks to	Feb. 9	Feb. 2	Jan. 26
Govt. Secs.	65.09	66.21	66.70
Fixed Interest	66.49	67.76	68.92
Indust. Ord.	454.1	466.6	465.7
Gold Mines	180.1	167.9	166.8
Do (Ex Spm)	122.0	113.3	113.6
Dealings mld.	5,247	4,407	3,920

## MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978/79 High	1978/79 Low	
Ind. Ord. Index	450.7	-16.6	535.5	433.4	Industrial crisis and MLR rise
Govt. Secs. Index	64.8	-1	78.58	64.64	Weakened further to 2-year low
Anglo-American Coal	765	+65	780	424	Domestic coal consumption hopes
Bath & Portland	46	-5	83	46	Accounts delayed/Iranian problems
BP	958	+32	958	720	Prospect of increased revenue
Caledonian Hldgs.	107	+19	107	68	Awaiting bid developments
Costain Ltd.	108	-18	146	104	Persistent selling
Gold Mines Kalgoorlie	84	+10	91	45	Sharp rise in bullion price
Guinness Peat	100	-15	130	93	Disappointing interim statement
HK & Shanghai	276	-32	360	203	Domestic and inv. currency advices
Int. Thomson	331	+44	331	245	Prospect of increased oil revenue
Jacks (Wm.)	36	+10	41	21	Bid approach
Kuala Lumpur Kepong	80	-9	89	41½	Far-Eastern selling
Lloyds Bank	280	-13	306	242	Anticipating base-rate rises
Lucas Inds.	262	-15	336	240	Concern over BL situation
Moran (Christopher)	38	-7	67	36	Reported irregularities in subsid.
Rolls-Royce	90	-7½	120½	63½	Iranian contacts concern
Selection Trust	520	+24	520	375	Response to metal price boom
Shell Transport	620	+32	620	484	Petrol price increase
Sturmberg	12	+5	18	5	Spec. demand/thin market

## FINANCIAL TIMES

	Feb. 9	Feb. 2	Jan. 26
Govt. Secs.	65.09	66.21	66.70
Fixed Interest	66.49	67.76	68.92
Indust. Ord.	454.1	466.6	465.7
Gold Mines	180.1	167.9	166.8
Do (Ex Spm)	122.0	113.3	113.6
Dealings mld.	5,247	4,407	3,920

## TOP PERFORMING SECTORS IN FOUR WEEKS FROM JANUARY 11

	% Change
Mining Finance	+13.9
Oils	+6.7
Tobaccos	+5.3
Overseas Traders	+2.2
Property	+0.2
Investment Trusts	-0.2

## THE WORST PERFORMERS

	% Change
All-Share Index	-2.2
Pharmaceutical Products	-6.5
Mechanical Engineering	-6.5
Contracting Construction	-7.1
Insurance (Life)	-7.5
Motors and Distributors	-10.3
Office Equipment	-13.8

## BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public. For further advertising details please ring 01-248 8000 Extn. 266.

### PROFIT FROM PROFESSIONAL WEEKLY INVESTMENT ADVICE

Since 1966, when comprehensive follow-up tables were introduced and have since been published in the IC News Letter, the IC News Letter's weekly share recommendations have on average beaten the FT Index by substantial margins, averaging well into double figures (based on share prices a year after recommendation).

The IC News Letter, published every Wednesday, is available on postal subscription only at £36.00 for one year (£24.00 airmail) (includes filing binder) or £19.00 (£22.00 airmail) for a six-month trial subscription.

Write enclosing your cheque (payable to Throgmorton Publications Limited) to:

Marketing Department FTI, Investors Chronicle  
ICNL Freepost, London EC4B 4QJ.

### FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 16.2.79.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	12½	13	13	13	13½	13½	13½	13½

Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 31 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 177). Cheques Payable to "Bank of England, a/c FFI". FFI is the holding company for ICFC and FCI.

## TARGET SHARE EXCHANGE SCHEME

# A switch in time saves tax

*'If you are fed-up managing a portfolio of shares, now is the time to swap them for unit trusts or investment bonds... And if you make the swap before April 5 you could save on capital gains tax.'*

Financial Times 27th January, 1979

And there are savings too! The capital gains advantages are therefore clear-cut. But there are other important savings. 1. You will save all of the expenses normally incurred if you were to sell the shares yourself. 2. You will save yourself the trouble of dealing with the welter of paperwork normally associated with running your own portfolio of shares.

Wide spread of capital Above all you can feel secure in the knowledge that your capital will be invested in a much wider spread of professionally managed shares than most investors can achieve individually, thus minimising the risk.

For further details Without any obligation—list the shares you own detailing the type (i.e. ordinary/loan stock/preference etc.) and the number you hold and send the list with the completed form below to the managers. No postage stamp is required. In return, we will quote you the terms which we will be prepared to offer for your shares and indicate approximately the value in units you would receive and the savings on expenses.

FREEPOST—NO POSTAGE STAMP IS REQUIRED

The TARGET TRUST MANAGERS LIMITED  
FREEPOST, AYLESBURY, BUCKS HP19 3YA  
(a member of the Unit Trust Association)

Please enclose the names on which you will accept the shares detailed on the attached list.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Not applicable to Eire.

Total Funds under management by The Target Group—£235,000,000

TARGET TRUST GROUP

# Don't let inflation eat away your capital

## Invest in Arbuthnot's inflation fighting Commodity Share Fund

The rate of inflation is increasing and it could go well into double figures. To protect your capital you need an investment that combats, even beats, the inflation rate.

Commodities maintain their real values when inflation eats into ordinary savings and investments so in times of high inflation commodity share funds have performed remarkably well. The track record of the Arbuthnot Commodity Share Fund speaks for itself.

Continuity of Investment Performance

Since launch, the record of the Fund justifies its aim. Over the last seven years the growth matches inflation and has beaten the indices handsomely—Fund increase 179.2%, Unit Holder Index increase 25.0%, All Share Index increase 46.7%.

The fund has been one of the top performing commodity funds every year since its launch—have your shareholders and other investments matched this growth?

Invest in Commodity Shares for Potential Growth

Commodities are essential to the growth in world trade and the fund is invested in companies dealing with cocoa, coffee, copper, gold, oil, uranium, platinum, rubber, tea, tin and tobacco.

Professional management

The commodity markets are notoriously volatile, and dangerous to the inexperienced investor but professional management by the Arbuthnot team and investment in shares of commodity companies ensures that risks are minimised while retaining the growth advantages.

The price of the units and the income from them may go down as well as up. Your investment should be regarded as long term.

Fixed price offer until 19th February 1979 at 68.2p per unit for income units, and 68.7p per unit for accumulation units (or the daily prices if lower). Estimated current gross yield 5.3%.

The Managers reserve the right to close offers if unit values rise by more than 2½%.

Applications will be acknowledged, and unit certificates will be issued within 14 days. The offer price includes an initial charge of 5%. The annual charge is 1%. VAT Half yearly distributions net of basic rate tax is made on 15th June and 15th December for those registered on 30th April and 30th October respectively. After the close of this offer unit may be purchased at the weekly (Friday) dealing date, when units can also be sold back. Payment will be made within 14 days of your receipt of your certificate duly recognised. The weekly price and yield appear in most leading newspapers. A commission of 1% will be paid to recognised agents. This offer is not open to residents of The Republic of Ireland.

Trustees: The Royal Bank of Scotland Ltd, Managers: Arbuthnot Securities Ltd (Reg. in Edinburgh 1969) 15 Charlotte Square, Edinburgh. Members of the Unit Trust Association.

To: Arbuthnot Securities Ltd., 37 Queen Street, London EC4R 1BY. Telephone: 01-236 5381.

Capital Sum I/We wish to invest the sum of £ (min £100) in the Arbuthnot Commodity Share Fund and enclose a cheque payable to Arbuthnot Securities Ltd at the initial payment. A banker order form will be sent to you by the managers following receipt of this order. This order is revocable at any time by one month's notice in writing.

If you wish to reinvest the income—tick this box for accumulation units. [ ]

If you declare that I am not over 18 and not resident outside the scheduled territories (see art. 1) we are requiring the above mentioned securities as the trustee(s) of any person(s) resident outside these territories. (If you are unable to make this declaration, it should be signed and the form lodged through your Bank, Stockbroker or Solicitor in the United Kingdom.)

Signature(s) \_\_\_\_\_ Joint applicants, all must sign, Mr/Mrs/Miss or Titles and Forenames.

Full Name(s) \_\_\_\_\_ Address(es) \_\_\_\_\_

# ARBUTHNOT

Established 1833.

COMMODITY SHARE FUND

# FINANCE AND THE FAMILY

## Joint tenancy in equity

BY OUR LEGAL STAFF

Referring to your reply under Tenants in common (January 6) is it possible to do the reverse to what the inquirer wanted, namely, where husband and wife are already tenants in common, will a letter suffice to change to joint ownership? It is not possible to serve a "reverse" notice of severance, i.e. a notice converting a tenancy in common into a joint tenancy in equity. What would be required is a deed of declaration of trust by which the tenants in common (who must be of full age and comprise the totality of the tenants in common) terminate the tenancy in common and declare a new trust, namely a joint tenancy.

## Solicitor's fees for an estate

Referring to your reply under solicitor's fees for an estate (August 19, 1978), if a husband and wife are joint owners of their house, their shares, and anything else they may own (a) am I right in supposing that everything accrues to the survivor and if so (b) is there any need to obtain probate, or (c) if it is necessary to obtain probate, how can the executors avoid paying solicitor's fees on a scale which seems unreasonable?

(a) Yes.  
(b) There is no need for probate if there is no property which is not in true joint ownership.  
(c) If probate were necessary the executors could negotiate with solicitors to be paid a fee which is reasonable in all the circumstances—not necessarily a scale fee.

## Investment trust liquidation

Could I please have your opinion as to the effective date of disposal of some Investment Trust shares held to liquidation. The decision to liquidate was taken at an extraordinary meeting on November 1, 1977. This was followed by a first payment of 60p per share on November 30, 1977, and a second and final payment of 23.21p per share on July 7, 1978. Allocation to the current tax year with its advantages of the 17 per cent tax credit would, of course, be most favourable. The rate of credit (under s.112, FA 1972) is in fact 17 per cent

for both 1977-78 and 1978-79, and the effective scale of CGT rates is the same for the two years; for some people, e.g. those with little or no income, 1977-78 has an advantage over 1978-79 (because the alternative charge is available for 1977-78, but has been abolished for 1978-79 onwards).

Under paragraph 3 (1 and 4) of schedule 7 to the Finance Act, 1965, you are deemed to have made a part disposal of your shareholding on November 30, 1977, and a total disposal on July 7, 1978. The apportionment of the pool cost of your shareholding can (provisionally) be made as follows: 1977-78 part disposal (30.11.77) —73.53 per cent. 1978-79 full disposal (7.7.78) —26.47 per cent.

The effective rate of credit will be lower for the 1977-78 part disposal, because of the way in which the credit on disposals of partly qualifying shares is calculated (under subsection 6(b) of section 112 of the Finance Act, 1972). This answer could have been more helpful if you had given us details of the acquisition dates, etc., of your shares.

## Blood group paternity

My daughter attests that a certain man is the father of her child, but a magistrate's court dismissed the case on the ground that a blood group showed he was not the father. (a) Is there a case where a blood group finding has been

## Gains on shares and unit trusts

I was very interested in the problem of Gains on Shares and Unit Trusts (January 6). My situation at present is as follows. Capital loss brought forward £3,676, capital gains this tax year to date £316 (£111 on shares, £205 on unit trust). I have quite a variety of unit trusts all showing profits except Scotiabank, which shows a loss of about £1,000. I could sell several lots to realise a profit of a few thousand pounds (say, £5,000). In these circumstances would you recommend selling before April 5? And, if so, could you kindly set out the necessary calculations? Is a

successfully contested? (b) What could be the financial cost of contesting a magistrates decision? (a) We do not know of such a decision; assuming that there is a positive finding in that the blood groups are different. (b) That sort of appeal is very difficult to assess, as much depends on the volume of evidence and the calibre of solicitors and counsel employed. We think that the risk in costs is the costs payable on failure must be £2,000 to £3,000 depending on those imponderable elements.

## Business loss and personal tax

My wife and I are aged 71. A business in my wife's name has been sold, but because of redundancy payments to employees will show a substantial loss for the year ending December 31, 1978. Can we have this loss set against our personal tax and if so can it be spread over a number of years?

The loss for the period from April 6 to December 31, 1978, can be set against your wife's 1978-79 income and your own (under section 168 of the Income and Corporation Taxes Act 1970), in the following order: (i) your wife's earned income; (ii) her other income; (iii) your own earned income; (iv) your other income.

If the loss for the period from January 1 to April 5, 1978, exceeds the profit for the period from April 6 to December 31,

'bed and breakfast' more suitable than a straight sale? Whether you realise chargeable gains by simple sales or by bed-and-breakfast transactions is up to you; it depends on whether you wish to retain the shares or units in question in the hope of further growth.

If you are in a position to crystallise gains on non-qualifying shares as well as on qualifying units (for simplicity, we are assuming that you have no partly qualifying shares, etc., falling within subsections 6 to 10 of section 112 of the Finance Act 1972), an ideal plan would be to realise further non-qualifying gains of £3,924—in

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

1977, the excess can be set against your wife's income and your own for 1977-78 (or 1978-79), in the same way.

The 1978 loss (or the part of it not relieved under section 168) can be carried back against the assessments on your wife's profits for 1977-78, 1978-77 and 1975-76, in that order, under section 174 of the Taxes Act.

As the rules are complex, your wife will probably find it worthwhile to engage professional assistance with the taxation aspects of closing down her business, even if you have managed your tax affairs personally up to the present. No doubt the auditors will be pleased to help her in this respect.

Incidentally, if the redundancy payments exceed the statutory amounts due, the excess will not be deductible for tax purposes under section 412 (3) of the Taxes Act.

## Jointly owned house

My ex-wife and I wish to dispose of our jointly owned house, in which I have been living since our divorce. Will my ex-wife have to pay capital gains tax?

You and your ex-wife should each ask your respective tax inspector for a copy of the free booklet of extrastatutory concessions (IRI, with a supplement), and look at concession D6.

If the facts do not fall within the scope of this concession, your ex-wife will face a proportionate CGT liability, under subsections 3, 4 and 13 of section 29 of the Finance Act 1965.

addition to the proposed qualifying gains of £5,000 and the existing gains of £316 (£205 qualifying). Your 1978-79 CGT assessment would then be:

Qualifying gains	5205
Other gains	405
	5610
Less: Losses	3670
	1940
Zero on the first £1000	
15% on the next £4000 = 600.00	
50% on the top £570 = 285.00	
	885.00
Less: 17% credit on £205 = 34.85	
Net CGT liability	£ 0.15

## Inflation has overtaken a pensions watchword, writes Eric Short

### Taking a long view

THINK TWICE before accepting a cash sum as part of your pension arrangements. In the past where a pensioner has had the option of swapping part of his pension for a cash sum it has nearly always been worth taking. But these days you may be better off to keep your full pension intact, particularly if you are in a scheme which pays regular increases to pensioners.

The traditional case for taking a cash sum is that it comes free of tax whereas the income you give up is taxable. But for many pension scheme members the lure of cash in the hand is almost irresistible anyway: the simple fact of having a few thousand pounds readily available, often for the first time in their lives, provides a powerful feeling of security. Although this attitude is understandable, the decision to commute should not be taken without doing some complex sums.

The usual pension commutation formula for 65-year-old men is that for every £900 of lump sum you take, you give up £100 a year pension. The ratio is £1,100 for every £100 in the case of a 60-year-old woman. Provided you have been in the scheme for at least 20 years, you can take a lump sum of up to 1½ times your final salary.

The problem for pension scheme members is to assess how their income position over the whole period of their retirement is affected by choosing the cash option. The distortions caused by inflation are likely to be considerable over the period. After all, a 65-year-old man can expect to live for about 13 years.

The tables illustrate how the

problem can be tackled. But each individual needs to do his own calculations.

I have considered how a pensioner's position might change over 10 years assuming inflation averages 10 per cent per annum. I assumed the cash sum would be put in a building society or used to buy an annuity.

Most investors would probably choose an ordinary annuity—but in an age of inflation they would probably be wiser to buy a rising annuity. I, therefore, included an annuity increasing by 8½ per cent a year as well as an ordinary annuity where the payments are the same each year.

Looking at the investor's income position immediately after retirement, the best option by a long chalk is to commute his pension and put the cash in an ordinary annuity. Putting the cash in the building society was a poor second. Keeping his full pension was in third place and he would be worst off if he took the cash to buy a rising annuity.

But after 10 years the position is almost completely reversed, assuming he is in an inflation-proofed pension scheme. Commuting in favour of a rising annuity is in second place to keeping his full pension intact. Buying a rising annuity in third place and putting the cash in a building society comes last (though with this option he would, of course, have the consolation of still having his £9,000 capital to fall back on).

Full index-linking of pensions is almost unknown outside public service schemes, where mem-

### CASH SUM OR FULL PENSION?

The figures are for a married man retiring at 65 on a salary of £6,000. He is entitled to an inflation-proofed pension either of £3,000 a year if he decides to commute for a £9,000 cash sum or £4,800 a year if he does not. Inflation is assumed to be 10 per cent a year; tax allowances and State pensions are assumed to be revalued to keep pace.

POSITION IN YEAR ONE		POSITION AFTER 10 YEARS	
If he does not commute:		If he does not commute:	
Total pension (including £1,622 from State)	£5,622	Total net income	£11,228
Less tax	£1,289		
Net income	£4,333	If he commutes:	
		Total pension	£4,622
		Tax	£957
		Net pension income	£3,665
		If he invests the £9,000 in a building society his net income will be boosted to	£4,383
		If he invests in a level annuity, it will be	£4,791
		If he invests in an 8½% increasing annuity, it will be boosted to	£4,317

bers usually have no choice: they have to take the cash sum even if they would prefer a larger pension instead.

But many large private employers provide generous pension increases which come close to matching inflation. A recent survey by the National Union of Bank Employees shows that the banks, for instance, have paid large increases over the years. A man who retired in 1965 with a pension of £700 a year would now be getting between 2½ and three times this from most of the big banks.

Banks are typical of the kind of employers where employees should not throw away the ad-

vantage of a full pension lightly. The conclusion is that many pension scheme members badly need expert advice on whether to commute. Many financial consultants have recently moved into this field and usually the employer pays their fees. And some pension consultants are now providing pre-retirement financial counselling as part of their service.

Bill Barden, of Sedgwick Forbes Employee Benefit Services, who helped with the calculations, spends all his time on the retirement benefit service. Godwin, Noble Lowndes and other leading consultants offer a similar service.

## Not a woman's world

THAT MEN and women are different is an undoubted—even essential—fact of life. However the Sex Discrimination Act was passed in 1975, principally to give effect to the previous year's White Paper "Equality for Women", and those who subscribe to the precept "vive la difference" are now legally at fault unless they can bring themselves within the relatively few exceptions permitted by the Act.

Insurers writing disablement cover whether on an annually renewable basis or by way of Permanent Health Insurance contracts, have always discriminated against women, arguing that they are statistically more prone to disablement than are men, and not just for short periods. Practice has been to charge women substantially higher rates for PBI cover, or in the case of annually renew-

able policies to require the woman policyholder to accept a waiting period of seven or 14 days at the start of each period of disablement, for which insurers do not make any payment; in addition insurers may apply a premium loading.

more for their cover than they do now.

The truth is of course that one swallow does not make a summer and a few deliberately controversial comments to a group of specialists do not predicate yet another change in the law and insurance practice. And it takes one woman to argue with another: a few weeks ago the journalist Sheila Black gave a talk at an Albany Life investment seminar on how to sell insurance to women. She said "there are lots of people who tell you that there is no point in special policies for women. They are crazy. There have to be because whatever legislation says, women are different."

### INSURANCE

JOHN PHILIP

One of the permitted areas of discrimination was created specifically for insurance and rules that differential treatment is permissible if based on actuarial or other data on which it is reasonable to rely. There is, for example, a mass of uncontested evidence that here in Britain—and in many other parts of the world as well—the average woman lives longer than the average man, by around three to four years.

On the basis of such data as this, insurers have always charged women policyholders lower rates for life cover than they have required of men of similar age; at inception the notional reduction by three or four years of the woman's age, since age at inception is the principal rating factor. Conversely for a given purchase price, insurers' annuity payments for women are lower than those for men of equal age because those women must be expected to receive payments over a greater number of years—the original purchase price has to be stretched further.

And on the recently established law she had this to say: "The actuarial data exemption should only be seen as providing a temporary licence for differential treatment; it allows a period of respite for the insurance industry as a whole to work towards a service where there is no distinction between clients simply on the basis of sex."

Insurers hold that while there may not be perhaps as much data as they would like—and there scarcely ever is from an underwriting point of view—there is not a "paucity of data" and that there is sufficient on which to base underwriting differentials. Moreover, when the industry was involved in the discussions over the insurance exemption clause in the Act there was never any thought or suggestion that the actuarial data provision was a "temporary licence". As the Life Offices Association has rightly said, if Baroness Lockwood's views were eventually to be upheld, women buying life assurance, for example, would have to pay

On the annual report and analysis of the PFI market produced last summer by PFI Press, all of the 31 companies then providing individual cover were prepared to sell long term disablement insurance to women: two-thirds of them are recorded in that analysis as leading their normal male rates by 50 per cent, the loadings by most of the others not being specifically mentioned. But a newcomer to the scene, Langham Life, whose rates were not included in this analysis, is now offering PFI at the same rates to both sexes.

If the rest of the market is right then Langham Life would seem to run the risk of underwriting loss; and since the 1975 Act applies equally for the benefit of men and women, it is arguable that the company stands liable to criticism that in charging the same price both for men and women it is discriminating against its male PFI policyholders.

## Sleeping better at nights

IF LONDON market men have been looking a little perplexed this week, it is not through lack of conviction that precious and base metals prices will continue to move upwards. It is because the markets have been swinging alarmingly. The long-term trend seems clear, the pattern of day-to-day trading has been confused.

A general agreement seems to have been reached that President Carter and his Administration will not be able within the next few months to induce a decisive rally in the dollar. Add to this the atmosphere of economic instability engendered by the Iranian crisis and there is a tasty recipe, market men think, for further rises in metal prices.

particularly in base metals ventures, is another question. It seems likely that the industry chiefs will prefer to wait and see how soundly based the price rises are.

While it is true that at least part of the rise in copper and lead, and the continued strength of tin, can be attributed to consumption demand there is little doubt that the dominant force in the markets now is the speculative and investment push. This has allowed U.S.

70 cents against 45 cents in 1977. It can be argued of course that these two companies are not typical of the industry as a whole. Both are low cost producers and managed to hold their heads above water even when the copper recession was at its worst. Palabora has a large stake in the South African market and is therefore not so sensitive to the vagaries of the international scene, while Bougainville's extensive gold production gives the company a strength not shared by most copper producers.

total payments for the year to 70 cents, or 55 cents less than the year before. There would have been a fourth quarter loss but for the settlement of tax issues from earlier years.

The group's main Canadian facilities are strike-bound—and this has cost \$61m so far. The effects will continue into the current quarter. While the group has no need of the nickel production, it would no doubt welcome the platinum and cobalt by-products in view of the present strong markets.

### MINING

PAUL CHEESERIGHT

At Bethlehem Copper, 1978 net profits were £4.4m (£1.85m) compared with £30.9m the previous year and the fourth quarter figures were triple those of a year before. Mr. Bruce Reynolds, the Bethlehem president, predicts that the rise in copper prices which helped to achieve this will continue into the early 1980s.

Nickel deliveries during 1978 rose by 21 per cent last year, helping to bring the supply-demand equation back into balance. But Inco's stocks still remain at 230m lb, only 37m lb less than its 1978 production. The increase in sales is welcome in itself, but the average realised price was only \$1.88 a pound against \$2.17 in 1977.

Although the world's nickel producers were quicker to cut back their production in the face of a supply surplus than the copper producers, stocks still remain extremely high and a deterrent to any appreciable price rise.

The prospect of another energy crisis, "brutted by Mr. James Schlesinger, the U.S. Energy Secretary, tends to enhance the argument; if everything is going to be topsy-turvy, better buy something solid like gold or copper.

However, the financial position of copper companies was tending to improve even before the markets caught fire last month. This was especially marked in the case of Bougainville in Papua New Guinea and Palabora in South Africa, two members of the Rio Tinto-Zinc group.

Inco calculates that stocks held by producers in non-communist countries were about 550m lbs at the end of 1978, showing a decrease of more than 200m lbs over the year. Stocks are likely to continue falling in view of the strike at Inco, which has now lasted for nearly four months.

Indeed, Mr. Michael Blumenthal, the U.S. Treasury Secretary, said as much himself. "Secretary Schlesinger's statement that the situation in Iran is serious is clearly the kind of thing that makes people run to gold."

Bougainville's net profits in 1978 were 68 per cent higher than in 1977 at \$48m (£34.4m) against \$28.5m. It declared a final dividend of 10 toea (7.3p), making a 1978 total of 15 toea, after 9 toea in 1977.

Despite this, the performance of nickel on the free market has lagged behind that of most other metals. Lately the price has been \$1.78 a lb, compared with \$1.63 a month ago.

And run they have. The London afternoon fixing on Thursday took over an hour to conclude. The price has been up to over \$250 an ounce. The number of bids at this week's International Monetary Fund auction was very high and money has been pouring into London.

For its part, Palabora had 1978 net earnings of \$25.7m (£14.8m), compared with \$18m in the previous year. The final dividend was 27.5 cents (15.8p), making a total for the year of

But there have been no such confident predictions about the nickel market from Inco, the Canadian producer and international market leader. Although its recent resumption of the practice of publishing list prices indicates a greater degree of stability in the market, the 1978 figures and the analysis which accompanied them were sobering.

Yet gold shares have by comparison been ignored. Certainly the level of London trading has been much higher than of late, helped by the keenness of competition among jobbers in their price quotations, but the movement in prices has not been proportionate to the rise in the bullion price.

Net earnings for 1978 were \$77.8m (£38.5m) against \$99.9m for 1977. A fourth quarter dividend of 10 cents brought

University education is something which many high-earning parents wish to provide for their children. But if those parents, denied any but the basic grant, have to find the funds out of net income, then the total costs are very high.

The reasons for this are not wholly apparent. Certainly the yields offered by gold shares remain very high in comparison with those offered by domestic industrial equities. It is possibly the case that reservations remain about investing in South Africa at all. But fund managers have been tending to ignore equities, of whatever type, and have been seeking other forms of outlet.

Net earnings for 1978 were \$77.8m (£38.5m) against \$99.9m for 1977. A fourth quarter dividend of 10 cents brought

University education is something which many high-earning parents wish to provide for their children. But if those parents, denied any but the basic grant, have to find the funds out of net income, then the total costs are very high.

The great weight of the money coming into London has been directed at commodities rather than shares and this has led to the analysis that the rise in metal prices has become self-feeding. This at least will make mine managers sleep a little easier at nights after a miserable couple of years.

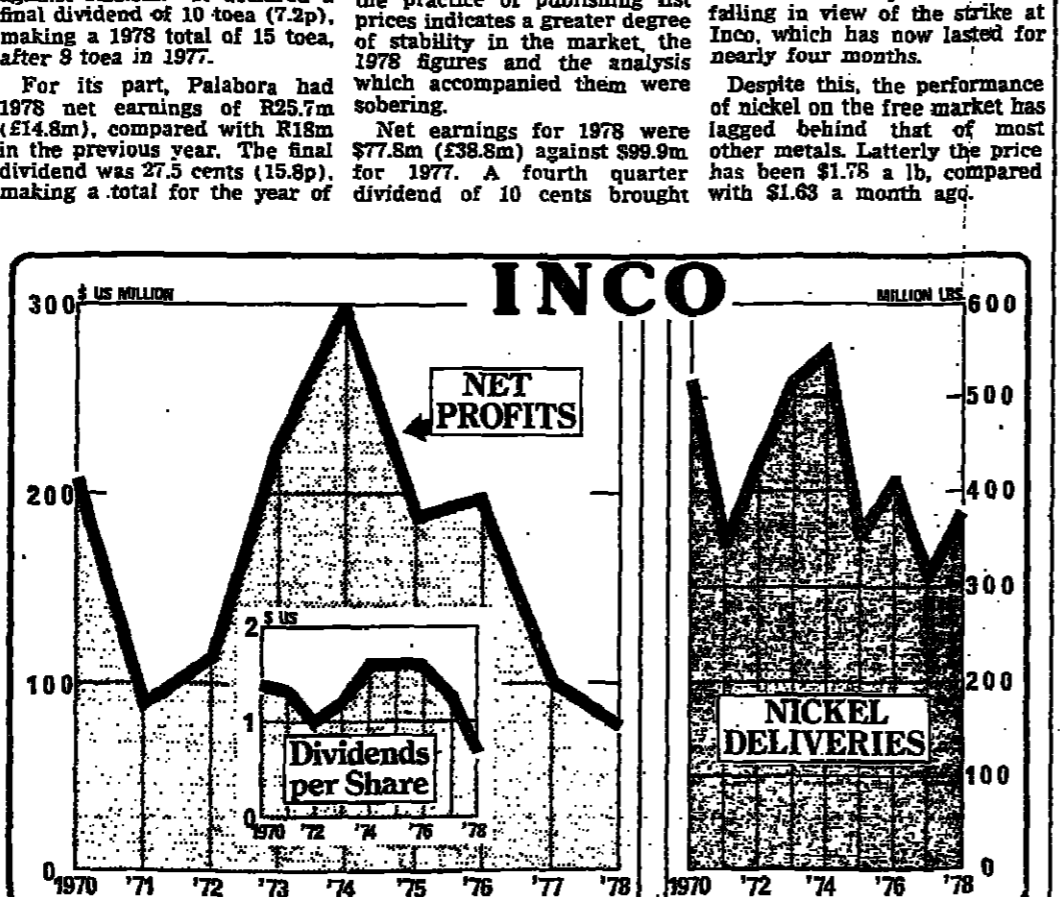
Net earnings for 1978 were \$77.8m (£38.5m) against \$99.9m for 1977. A fourth quarter dividend of 10 cents brought

University education is something which many high-earning parents wish to provide for their children. But if those parents, denied any but the basic grant, have to find the funds out of net income, then the total costs are very high.

But whether the market events of recent weeks will lead to a revival of investment,

University education is something which many high-earning parents wish to provide for their children. But if those parents, denied any but the basic grant, have to find the funds out of net income, then the total costs are very high.

University education is something which many high-earning parents wish to provide for their children. But if those parents, denied any but the basic grant, have to find the funds out of net income, then the total costs are very high.



## The wreck of the scholar ship

CONSIDERING THE number of mariners who spend their whole lives trying to navigate a course through our tax legislation, it is remarkable how large are the areas which are still uncharted. Sailing and sailors, provide a happy analogy. There are hazards in the tax laws just as there are at sea. And there are intrepid or reckless souls who only seem happy when risking themselves and others around the rocks, shoals and reefs.

The comparison becomes rather more strained when we try to fit the chairman of the Board of Inland Revenue into this idyll: he is at times an elder brother of Trinity House, buoying wrecked taxpayers, and at others a coastguard trapping the contrabanders. But does he not also sometimes play Poseidon, whistling down the wind and then descend, deus ex machina, from an air-sea rescue helicopter?

Those who read this column are presumably seeking hydrography. So, the following is an indication just how many rocks there may be in what one might think should be a well charted channel.

University education is something which many high-earning parents wish to provide for their children. But if those parents, denied any but the basic grant, have to find the funds out of net income, then the total costs are very high.

Out of this conundrum was born the "scholarship scheme." And examining the obstacles to its partition is at once enlightening and depressing. The first principle is that scholarship income is not taxable in the hands of the recipient. Scholarships are not defined, but it seems reasonable to suppose that the tax legislators were thinking of monetary awards for educational purposes to children who have attained a certain standard. This is an exact description of the "award" of the basic grant by local authorities to all children who have achieved university entrance. So why should not the

### TAXATION

DAVID WAINMAN

employer of the child's parent make a supplementary award?

So far as parents' earnings over £7,500 (£8,500 from April 6, 1979) are concerned the reason why not is spelt out in S.61, Finance Act, 1978. If, by reason of an individual's employment, his employer provides any benefits or facilities of whatsoever kind to him or to members of his family or household, those "benefits in kind" are taxable as his earnings.

The way round this hurdle appeared to be for the employer to form a trust. He paid sums of money to the trustees, and the trustees awarded scholarships. Apart from breaking the direct link which is the only one which S.61 appeared to envisage, this proposal also seemed to enable the employer to say that he did not have any control over the scholarships and might not even

know to whom they had been awarded.

But there were still a number of other worries. It was absolutely essential that the cash, paid by the company to the trustees should not be in the trustees' hands. If it were, the trustees would be charged basic rate tax, and the additional rate of 15 per cent on this income under the 1978 provisions designed to tax income being received by discretionary trusts which had power to accumulate income.

Taxing the trustees would not really have mattered had the child been able to obtain repayment of that tax when the "income" percolated out of the trust to him. But here was an insuperable difficulty. Repayment could only be obtained if what the child received was "income for all purposes of the Taxes Act." As we have seen, the charged basic rate tax, and the additional rate of 15 per cent on this income under the 1978 provisions designed to tax income being received by discretionary trusts which had power to accumulate income.

Not only that, but the child had to be entitled to deduct the recurrent gifts in calculating his corporation tax liability. He would claim that his purpose in establishing the trust and in funding it was to promote goodwill between his employees and himself, and to enable him to recruit people of the right calibre. The onus lies on him to demonstrate that this is fact, should the Revenue dispute it. But there are decided cases on which he could lean for support. That was how it was all thought to work. And then on June 14, 1978 old Donalton Poseidon changed his mind: the goods previously regarded as acceptable were declared contraband. The Revenue announced that they had been advised that the employer's (indirect) munificence was nevertheless taxable on the child's parent as a benefit in kind.

We may not approve of taxation by Revenue announcement—we may still hanker for the old principle of taxation only by clear words in a taxing statute. But should we ram these rocks in an attempt to sink them, careless of the probable damage to our own craft? Do universities teach children how to spell wreckless?

The suggestion actually fitted relatively neatly with another of the scheme's requirements. If the employer were held to be making "annual payments" to the trustees, then he would be unable to get a corporation tax deduction. A deduction is only available if such a payment is made either for full

# YOUR SAVINGS AND INVESTMENTS

Unit trust groups are getting in on the perks-for-investors craze. Tim Dickson reports

## Joining the bandwagon

THOUSANDS OF unit holders could be in line for attractive perks as a result of the unit trust industry's latest marketing brainwave.

The idea is that companies which offer perks to shareholders should extend their schemes to take in unit trust investors. So far unit holders have almost completely missed out on the shareholders' perks craze but now several unit trust groups want to jump on the bandwagon.

A growing band of public companies now provide their shareholders with some form of perk—often a discount on their products—as a welcome, tax-free extra on top of the usual dividend pay-outs.

The idea has been around for many years but has become much more popular recently in a climate of continuing dividend restrictions. The perks range from dry cleaning discounts at Skelchey and reduced fares at European Ferries to Dundonian's macabre offer (if you're prepared to wait!) of a cheap funeral.

High Street furniture retailer Henderson-Keaton is the only company we know which gives shareholders and unit holders an identical perk, a 10 per cent discount on all purchases.

Elsewhere the feeling is that while units trusts may hold a

large stake in companies which provide these extra benefits, unitholders are outside the scope of the schemes because they do not own the shares directly.

Hoping to redress the balance several unit trust groups—among them Save and Prosper, Target, Tyndall and Barclays Unicorn—are now fighting for perks parity for unit holders.

Target has already arranged a special wine offer through Grand Metropolitan's Justerini and Brooks subsidiary. Discounts on two cases were available last year to more than 30,000 unit trust investors in Target's preference and income funds while unit holders in the growth fund received a meal voucher worth £1.50p at Grand Met's Berni Inns.

While Target certainly is anxious to find more companies willing to follow suit, the Grand Met scheme is arguably little more than a conventional marketing ploy. The wine offer was exclusive to Target and not available in the same form to Grand Met shareholders.

Save and Prosper, meanwhile, has freed off letters to Trust Houses Forte, Cope Allman, Vaux Breweries and Scottish and Newcastle Breweries.

The response so far has been

cautious. Companies are all too conscious of the possible administrative burden and the costs of providing perks for a vast army of unit trust investors as well as their own shareholders. On the other hand, many are keeping their options open in case the idea takes off.

Barclays Unicorn is keeping its plans secret for the moment, but confirms that it is looking "at all forms of shareholder discounts." Tyndall's inquiries are still at an early stage, but the possibility of securing cheap discounts for unitholders "is being seriously examined."

Against this background, Henderson-Keaton's progress report last week did not provide much encouragement. The group conceded that the nine-month-old experiment had not been a great success.

The chief problem, according to company secretary Mr. Howard Fair, has been how to publicise the scheme.

He says: "While we obviously want people to know about the discount, we do not want to be seen hawking our shares. In reality, of course, the perk is unlikely to be a significant factor in any investment decision."

According to Target, which recently asked clients for their comments, unitholders applaud



Target marketing director Richard Carswell: More to come efforts to secure discounts on their behalf.

G. He says: "Perks are a form of desperate gimmickry. Unit trust managers have better things to do and companies should concentrate on paying a good dividend."

## In a new setting

IF YOU ARE to believe Michael Freedman, diamonds are the nearest thing in the investment world to a racing certainty.

He is a New York diamond broker who breezed into London this week to help Britons make an orderly exodus from paper money. His case for investing in diamonds is that prices have risen consistently since the War, the balance of supply and demand is immaculately stage-managed by De Beers and demand—especially investment demand—is unbounded.

If you are playing devil's advocate, you could probably stand each of these points on its head to argue that diamonds are the falsest market since the South Sea Bubble. But there is no denying diamonds' emotional appeal and certainly the message has already gone down well with East Coast lawyers and doctors seeking a refuge from inflation and President Carter's plunging dollar.

The big problem for diamond

investors in the past has been that unless you have a spectro scope handy you have little idea what you are buying—stones that the untrained eye could hardly tell apart may vary in price by a factor of ten. Furthermore, when an investor is selling a diamond he has little protection against a dishonest dealer using the pretext of taking it away for examination to substitute a similar but inferior stone.

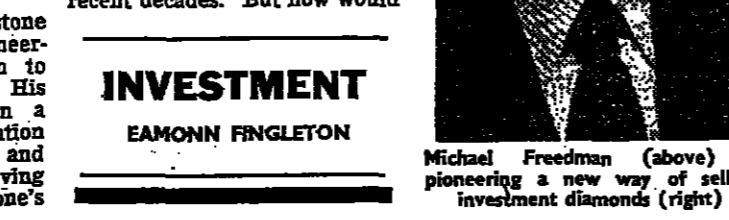
Mr. Freedman's Gemstone Trading Corporation is pioneering an impressive system to overcome these problems. His diamonds come sealed in a perspex slab. An identification number is also sealed in and you get a sort of logbook giving scientific details of the stone's quality.

To make the system watertight, Mr. Freedman throws in a Lloyd's of London insurance policy guaranteeing that the stone the logbook refers to is the one in the perspex.

Fine. But will diamond prices really go on rising forever? De Beers controls 85 per cent

of the world's supplies from an anonymous-looking building in London's Holborn Viaduct. It is certainly in the interests of De Beers and of the independent producers whose diamonds it handles to keep prices rising. But even the mightiest giants cannot always count on things going their way forever.

De Beers' hold on the market has been helped by the absence of any big new discoveries in recent decades. But how would



Michael Freedman (above) is pioneering a new way of selling investment diamonds (right) credit unloaded their stocks as a reaction to higher interest rates.

## INVESTMENT

EAMONN FINGLETON

The strange bedfellows in the De Beers cartel—among them Russia—react if, say, China made a major find?

In any case De Beers' record in controlling prices has not been as flawless as might appear. There was a sharp break in business in 1956 and 1960 and the market suffered from indigestion in 1974. De Beers' answer when world economies go into recession is to withhold supplies but this might not be enough if, for instance, dealers who buy on



company's biggest recent coup has been in Japan, where about half of all women enter marriage with a diamond engagement ring these days. That compares with only 9 per cent a decade ago.

## Small print

Still on the new life policy tax relief system, about 20m life policyholders have just received their latest tax codings and are probably cursing the Revenue for cutting their allowances. For most of them it will be the first they have heard of the new system. But how do the Revenue explain this difference? Not in a special footnote to the form as one would expect but tucked away in two sentences in note 15 of the usual accompanying explanatory leaflet.

The Inland Revenue is currently running a newspaper advertising campaign to explain the change. But one would have thought it would have been cheaper and more effective to have included a clearly visible note with the tax coding. But apparently, the Revenue is leaving the main task to the life companies.

To remind investors: from the next tax year, policyholders will, under most regular premium contracts, pay their premiums net of tax at 17 per cent and the life company will reclaim the balance from the Revenue. No longer will the investor get the relief through his tax code. Although millions of industrial life policyholders will be getting the tax relief for the first time, the life assurance industry in general is still wondering whether all the time, effort and expense in implementing the change was really necessary.

# Family Bonds

Invest in Government Stocks and Equities FREE OF TAX

Family Bonds are completely exempt from income tax and capital gains tax. They offer you the way to invest in a tax-free fund—which has an advantage of about 40% over taxed funds.

Furthermore, there is an extra investment and tax advantage if you invest before 6th April.

The maximum investment currently allowed is £10 a month or £120 a year (if you are under 45) and £11 a month or £132 a year (if you are over 44). Alternatively, if you want to invest a lump sum of about £1,000 now, you can fund your annual premiums at a discount of about 25%.

The Family Bond is a unique unit-linked investment, available only to family men and women. Naturally, unit prices can fall as well as rise; however, as the investment is completely tax-free, the value of your Bond can be expected to grow by at least 12% p.a., which would more than double your money over ten years. Indeed, the growth to date has been at an even faster rate.

If you would like further details, please complete the coupon and return it to us—no stamp is required.

Julian Gibbs Associates Limited, Freeport 13, London W1E 2QZ, or telephone 01-487 4495. Please send me details of the Family Bond.

Name \_\_\_\_\_ F9FE

Address \_\_\_\_\_

Tel: Day \_\_\_\_\_ Home \_\_\_\_\_

Tax Rate \_\_\_\_\_ Date of Birth \_\_\_\_\_

### UNIT TRUST AND INSURANCE OFFERS

Arbutnot Securities Limited	Page 5
Arbutnot Securities Limited	19
Cornhill Insurance Company Limited	21
Gartmore Fund Managers Limited	21
M and G Group	7
Schlesinger Trust Managers Limited	1
Schroder Life Assurance Limited	18
Target Life Assurance Limited	5
Tyndall Assurance Limited	30

## Money Monitor

Marking time

After Thursday's big new rise in minimum lending rate, the advice to savers must be: wait and see. The savings market is now so topsy-turvy that there is little to lose and probably something to gain by being liquid.

The ultimate demonstration of the market's confusion is that in the case of deposits of £10,000 or more the banks are offering better rates over three months than over one year: at Barclays yesterday, for instance, the rates were respectively 13% per cent and 12 1/2 per cent.

For anyone investing for the longer term, the choice is unusually limited. Apart from gilts offering the equivalent of up to 15 per cent gross to a basic rate taxpayer over four or five years, there is little to go for. The best five-year rate for £1,000 among local authorities is 13 per cent from Woking, that's equal to only 8.7 per cent net to a basic rate taxpayer.

It compares with 8.45 per cent free of all tax over five years from the latest issue of National Savings Certificates—not a particularly good rate for basic rate taxpayers—though easy withdrawal counts for something. The rate looks better for high-rate taxpayers but for them the maximum investment limit of £1,500 is a major stumbling block.

The building societies, for once, are behind the game. Their main investment rates of 8 per cent tax-paid is under pressure from the Post Office Investment Account offering 12 per cent gross—particularly attractive to non-taxpayers.

Each-way bet

Nearly 500,000 Legal and General policyholders are being offered a special discount on normal life insurance premium rates—a rare if not unique event with a life company, writes Eric Short.

The offer has resulted from the need for Legal and General, in common with other companies, to tell policyholders of

the new tax relief arrangements for life premiums. As it was having to circulate all its policyholders anyway, it decided to include details of a special offer on its Cashbuilder flexible endowment policy as well. Policyholders and their spouses are being offered a 4 per cent discount on normal rates.

At normal rates for a 30-year-old man a £12 per month premium on this plan provides an estimated cash-in value after 10 years of £1,855—very much up to 15 per cent above the special offer, the cash-in value goes for. The best five-year rate for £1,920—about as good a figure as you will get anywhere.

Legal and General's life manager, Ted Tilly, says: "Our actuary has calculated that the saving in expenses will cover the reduction in premium. Other with-profit policyholders are not subsidising this promotional effort."

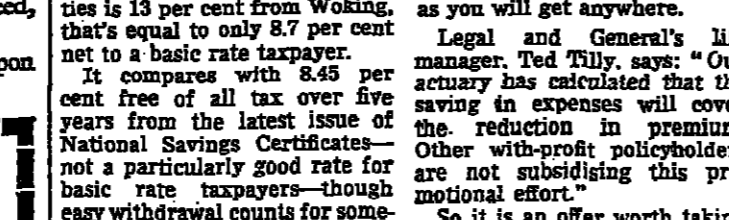
So it is an offer worth taking up—or is it?

As with all bargains, you should ask yourself whether you really need it. Some people cannot resist a bargain and regret it afterwards. The questions to be asked are:

- Can you afford the extra saving?
- Is a flexible endowment the best way of saving?

Flexible endowments are usually written as endowment policies maturing at age 65 but they have guaranteed cash-in values from the 10th year. The investor has considerable flexibility about when he takes his money, unlike with ordinary endowments where there may be hefty penalties for cashing-in early. But the investor has to pay for the flexibility: benefits from flexible endowments are lower than from ordinary endowments which run to maturity.

On an ordinary 10-year with profits policy for £12 per month,



the estimated pay-out after 10 years is £1,954.

Income winner

The pick of the new crop of the guaranteed income bonds being advertised must surely be that of London Life. It is offering a 10 per cent return net of basic rate tax over a 10 year period, using a back-to-back combination of temporary annuity and with profits life insurance. The investor gets the advantage of tax relief on the life premiums but London Life is not trying to bend the rules to offer a return over a shorter period.

This rate is one of the highest on the market and comes from a "blue chip" life company—a necessary investment requirement for many investors.

# M&G OFFERS

## £12 A MONTH CAN SECURE £27,000 LIFE COVER

Does your family have the protection it needs in case anything happens to you? Even if you already have life assurance cover it will probably not be enough to maintain your family's home and standard of living in the event of your death. That is why the M&G Group is offering you this new contract.

### M&G GUARANTEED PROTECTION PLAN

**YOUR TAX FREE BENEFITS**

Amount of guaranteed life cover payable on death

Monthly premium	£2	£4	£5	£6	£10
Net excl after 10 years	£2,500	£3,340	£4,170	£5,010	£8,330
Male age 1st birthday					
20-30	£27,000	£36,250	£45,400	£54,550	£83,700
31	25,625	34,875	44,500	53,125	81,250
32	24,000	33,178	41,116	50,454	77,000
33	22,440	31,778	39,343	47,983	73,000
34	20,708	29,820	37,343	45,551	69,000
35	18,885	27,500	35,000	42,883	65,000
36	17,275	25,384	32,731	40,371	61,000
37	15,602	23,095	29,889	37,883	57,000
38	14,248	20,988	27,725	35,501	53,000
39	12,601	19,287	25,000	32,883	49,000
40	11,291	17,592	22,683	30,371	45,000
41	10,007	16,126	20,641	28,000	41,000
42	8,847	14,873	18,729	25,729	37,000
43	7,816	13,747	17,083	23,641	33,000
44	6,913	12,744	15,641	21,729	29,000
45	6,146	11,854	14,371	19,971	25,000
46	5,484	11,072	13,250	18,371	21,000
47	4,902	10,394	12,271	16,929	17,000
48	4,388	9,812	11,429	15,629	13,000
49	3,937	9,325	10,703	14,441	9,000
50	3,543	8,923	10,083	13,371	5,000
51	3,203	8,594	9,563	12,429	1,000
52	2,913	8,337	9,141	11,600	0
53	2,668	8,141	8,813	10,883	0
54	2,466	8,004	8,571	10,271	0
55	2,297	7,923	8,400	9,754	0
56	2,156	7,894	8,293	9,329	0
57	2,038	7,919	8,246	8,993	0
58	1,938	7,997	8,261	8,746	0
59	1,852	8,126	8,326	8,571	0
60	1,778	8,304	8,441	8,441	0
61	1,714	8,531	8,603	8,354	0
62	1,658	8,807	8,813	8,313	0

\* Tax relief calculated at 10%.

AMOUNT OF GUARANTEED LIFE COVER The table of tax free benefits payable on death is shown in the next column. The level of life cover depends on your age and on the amount of your monthly premium. For example, a man aged 33 next birthday paying £4 per month has guaranteed life cover of £31,778.

INCREASING PROTECTION TO HELP BEAT INFLATION A special feature of the M&G Guaranteed Protection Plan is that your payments and the amounts of life cover automatically increase by 10% each year. This helps protect your family from the effects of inflation. The increase in protection is related to the life cover at the start of the policy.

RENEWAL GUARANTEE—WHATEVER YOUR STATE OF HEALTH Your plan lasts for five years but at the end of the first year you can opt to apply for the next five year period at the rate applicable to your age at the time, whatever the state of your health, provided you are accepted on standard terms at the outset. This renewal guarantee continues up to age 65.

NO FURTHER PREMIUMS IN THE EVENT OF DISABILITY If you are sick or disabled for six months or more you do not have to pay any further premiums until you are fit to work again. Meanwhile your protection continues to be in force.

HOW TO JOIN Simply complete the proposal form and return it to M&G. Send no money with your proposal, we shall invoice you for the first month's premium and send you a direct debit form for subsequent premiums. Many husbands overlook the vital necessity of adequate protection against the premature death of their wife. If you require an extra proposal form for your spouse please tick the appropriate box in the form below.

**PROPOSAL FORM**

M&G TRUST (ASSURANCE) LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ

I wish to apply and have completed the proposal form.

I WISH TO PAY £2 £4 £5 £6 £10 per month under the M&G Guaranteed Protection Plan. You will be invoiced for your first month's premium. (Please tick appropriate box.)

PLEASE PRINT ANSWERS BELOW

MR/MRS/MISS (FULL FORENAME(S)) \_\_\_\_\_ ADDRESS \_\_\_\_\_

SURNAME \_\_\_\_\_ ADDRESS \_\_\_\_\_

POST CODE \_\_\_\_\_

OCCUPATION \_\_\_\_\_ DAYTIME TEL. NO. \_\_\_\_\_

DOCTOR'S NAME AND ADDRESS \_\_\_\_\_

PLEASE ANSWER THESE QUESTIONS CAREFULLY: Tick applicable

1. Have you consulted a doctor within the last 5 years or ever undergone any hospital investigations or operations? YES  NO

2. Has any proposal for Life, Accident or Health Insurance on your life ever been accepted at an extra premium or on special conditions, declared or postponed? YES  NO

3. Are there any risks or special dangers or conditions which may be considered hazardous connected with your occupation or hobbies or pastime pursuits? YES  NO

4. Are you receiving any medical treatment or drugs under prescription from a doctor? YES  NO

5. Do you have an existing M&G Policy? YES  NO

Please tick this box if you require an extra form for your spouse

You must disclose all facts which are likely to influence the assessment of this proposal. If you are in doubt as to the relevance of any particular information, you should disclose it, as failure to do so might affect the benefits payable. I declare that the answers given here are true and complete and that, other than as stated, I am in good health. I understand that after due consideration the Insurer may reject this proposal or offer special terms. I agree that the Insurer or his Agents may obtain such evidence of insurability as the Insurer requires, and that this proposal and any statement made in connection therewith shall form the basis of the contract. I understand that in the event of sickness or disability I undertake to provide such evidence of the same as the Company may require from time to time. I am resident in the United Kingdom and premiums will be paid by myself or my spouse.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ (Not applicable to wife)

Reg. Office at Tower, Registered in England No. 1048359

**SAVE £12 A MONTH AND LET YOUR MONEY MAKE MORE MONEY FOR A CHANGE**

Regular investment Plans with life assurance provide one of the most cost-effective methods yet devised of accumulating a few thousand pounds. For every £ you save through the M&G Regular Investment Plan you will be able to claim £16p in tax relief, provided you pay tax at least at the basic rate and not more than one-sixth of your Gross Earnings, which gives you a positive arithmetic advantage.

The offer enables you to start a Plan through a life assurance policy with benefits linked to whichever M&G Fund you choose. On a £20 Plan, tax relief at present rates can bring down your net monthly cost to only £16.70, in most cases appreciably less than the monthly purchase of units on your behalf by M&G (Assurance) Ltd.

The future value of your Plan will depend on the investment performance over the years of the Fund you choose. A man of 35, for example, who started paying £20 a month into a Plan linked to M&G Recovery in April 1971 (when the Plan was first used in conjunction with this Fund), would have secured units of £3,634 by the end of January 1979 for a net outlay of £1,572. The exceptional performance of this Plan would not be repeated, but it does demonstrate how effective the Plan can be as a way of building up capital.

Investors should regard unit trusts as a long-term investment and not suitable for money needed at short notice, and should remember that the price of units may go down as well as up.

Regular investment of this type means that you can take advantage of the inevitable fluctuations in the price of units through "Drip Cost Averaging," which gives you a positive arithmetic advantage, because your regular investment buys more units when the price is low and fewer when it is high. You also get life cover at least 180 times your monthly payment throughout the period if your age at entry is 54 or under. An element of life cover is also provided for higher ages, up to 74.

If you cash in or stop your payments during the first four years there is a penalty, and the tax authorities require us to make a deduction. So you should not consider the Plan for less than five years. Higher rate taxpayers should not cease payments during the first ten years if they wish to avoid liability to higher-rate tax on any gain. 25% to 54% of each premium (depending on your starting date) is invested, except in the first two years when an additional 20 per cent is retained to meet set-up expenses. After two years, therefore, the amount invested will, in most cases, represent more than 100% of the net amount you pay after tax relief is taken into account. When you terminate your policy you will receive a cash sum.

Signature \_\_\_\_\_ DATE \_\_\_\_\_ (Not applicable to wife)

Reg. Office at Tower, Registered in England No. 1048359

# SAVE £12 A MONTH AND LET YOUR MONEY MAKE MORE MONEY FOR A CHANGE

Regular investment Plans with life assurance provide one of the most cost-effective methods yet devised of accumulating a few thousand pounds. For every £ you save through the M&G Regular Investment Plan you will be able to claim £16p in tax relief, provided you pay tax at least at the basic rate and not more than one-sixth of your Gross Earnings, which gives you a positive arithmetic advantage.

The offer enables you to start a Plan through a life assurance policy with benefits linked to whichever M&G Fund you choose. On a £20 Plan, tax relief at present rates can bring down your net monthly cost to only £16.70, in most cases appreciably less than the monthly purchase of units on your behalf by M&G (Assurance) Ltd.

The future value of your Plan will depend on the investment performance over the years of the Fund you choose. A man of 35, for example, who started paying £20 a month into a Plan linked to M&G Recovery in April 1971 (when the Plan was first used in conjunction with this Fund), would have secured units of £3,634 by the end of January 1979 for a net outlay of £1,572. The exceptional performance of this Plan would not be repeated, but it does demonstrate how effective the Plan can be as a way of building up capital.

Investors should regard unit trusts as a long-term investment and not suitable for money needed at short notice, and should remember that the price of units may go down as well as up.

Regular investment of this type means that you can take advantage of the inevitable fluctuations in the price of units through "Drip Cost Averaging," which gives you a positive arithmetic advantage, because your regular investment buys more units when the price is low and fewer when it is high. You also get life cover at least 180 times your monthly payment throughout the period if your age at entry is 54 or under. An element of life cover is also provided for higher ages, up to 74.

If you cash in or stop your payments during the first four years there is a penalty, and the tax authorities require us to make a deduction. So you should not consider the Plan for less than five years. Higher rate taxpayers should not cease payments during the first ten years if they wish to avoid liability to higher-rate tax on any gain. 25% to 54% of each premium (depending on your starting date) is invested, except in the first two years when an additional 20 per cent is retained to meet set-up expenses. After two years, therefore, the amount invested will, in most cases, represent more than 100% of the net amount you pay after tax relief is taken into account. When you terminate your policy you will receive a cash sum.

To: M&G GROUP LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ, TELEPHONE 01-626 4588.

FROM £12 A MONTH

I WISH TO INVEST £ \_\_\_\_\_ each month (min. £12) in an assurance policy with benefits linked to the Fund of my choice. (Circle the Fund of your choice.)

BACKDATING YOUR POLICY

You can backdate your policy to last April and claim tax relief on the payments (if you are over 54 you may only backdate your plan for 3 months).

I enclose my cheque for £ \_\_\_\_\_ representing \_\_\_\_\_ monthly repayments (not more than 10, or 3 if you are over 54, payable to M&G Trust (Assurance) Limited. I understand that the payment is only provisional and that the company will not assume any formal obligations of acceptance has been issued.

Please circle the Fund selected. (If no Fund is selected your policy will automatically be linked to the M&G Managed Bond Fund.)

MANAGED BOND AMERICAN JUSTICE EQUAN GENERAL RECOVERY

EUROPEAN FIVE EASTERN PROPERTY BOND

Are you an existing M&G Plan holder? Yes  No

If you cannot sign Part I of the Declaration below delete it and sign Part II. I declare that to the best of my belief I am in good health and free from disease, that I have not had any serious illness or major operation that I do not regard as a passing ailment, that I do not suffer from any chronic or infectious disease, that I do not smoke or drink alcohol in excess, that I have not been advised by a doctor to stop smoking or drinking alcohol, and that I have not been advised by a doctor to stop driving a motor vehicle. I understand that the payment is only provisional and that the company will not assume any formal obligations of acceptance has been issued.

I declare that the premiums will be paid by myself or my spouse, and the policy will be issued in the U.K. I agree that any benefits payable by me or my contractor with this proposal shall be the basis of the contract between me and M&G Trust (Assurance) Ltd., and that I will accept their customary terms of policy. I agree to provide any further information the company may require. (A specimen of the policy form is available on request.)

Member of the Life Offices Association

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

Registered in England No. 1048359. Reg. Office at Tower. This offer is not available to residents of Eire.

# THE M&G GROUP





TRAVEL

The approach to Venice

BY RICHARD COWPER

NO OTHER CITY has exercised such a lasting hold on the imagination. Of the hundreds of famous artists and statesmen who have flocked there over the centuries, many have loved it, many have hated it, but rarely has anyone expressed himself indifferent to it.

With its fabulous art treasures, its exquisite architecture constantly changing colour in the light reflected from the canals which are the city's streets, and its air of luxurious decadence, Venice seems to defy description. Not that everyone, from Petrarch down to Mary McCarthy, has not tried to capture it. Of one thing you may be certain, though, whatever you say or feel on first beholding this shimmering jewel has certainly been said or felt before.

Those who have never visited Venice may know it second-hand through the paintings of that "foul son of a deal board" as John Ruskin so unjustly called Canaletto, or perhaps from the precious almost decadent atmosphere of the film of "Thomas Mann's novella, Death in Venice, though in fact most of the action was shot on the Lido, just across the lagoon.

Venetian skyline with its towers and domes set off by the light of the lagoon is likely to be the most memorable of all your impressions. Sitting in along the Riva degli Schiavoni past the church where Vivaldi once taught music, the first thing to strike your eye—apart from the beauty of the overall setting—will be the monastery island of St. Giorgio Maggiore on your left, with its exquisite church designed by Palladio, the most famous of all Italy's Renaissance architects.

And here, for the first time, you come across an example of the extraordinary precision which Venice has possessed in her visitors. Ruskin had a love-hate relationship with the city for as well as housing the paintings of his beloved Veronese, Venice was the home of what he called that "pestiferous art of the Renaissance." Ruskin was a lover of the Gothic and Palladio was anathema to him. "It is impossible to conceive," he said, "a design more barbarous, more childish in conception, more servile in plagiarism, more insipid in result, more contemptible under every point of rational regard," than that of St. Giorgio.

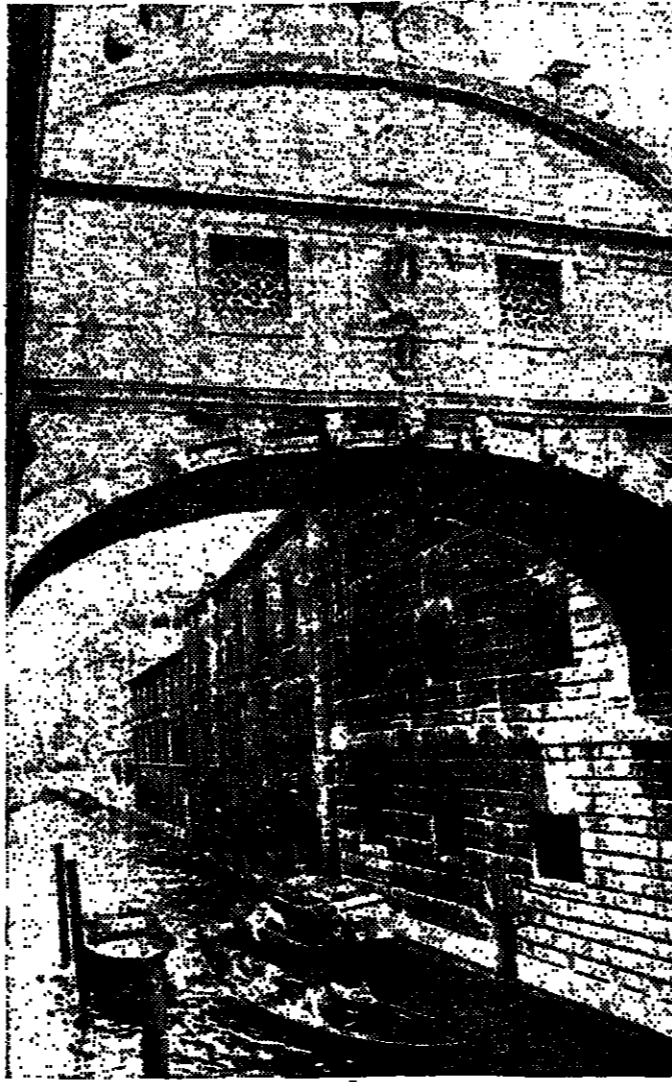
For Goethe, on the other hand, Palladio "opened the way to all art and life as well," and he thanked God to have done with all that Gothic "junk" by

which he was surrounded at home in Germany. When you have had time to recover from Ruskin's venom you will notice in front of you, at the entrance to the Grand Canal, the Salute—a great domed church built in the 16th century to commemorate the ending of the plague.

And on your right you will see, just past the Bridge of Straw from which you will later gaze on the infamous Bridge of Sighs (across which so many prisoners of state made their last walk before execution), the faded pinks of what must be the grandest town hall in the whole of Europe, the Doges Palace.

And then at last, just as the boat comes in to dock, there is the Piazzetta (the small square), with its two great pillars of marble stretching into the sky, and behind it the tall but solid campanile (tower) of St. Mark's and the Byzantine domes of the city's fairy-tale cathedral.

Later you will read what great poets and artists have said and thought about the city, and discover for yourself those favourite buildings and paintings. You will learn that Venice was once the world's foremost naval power and of how she grew rich on loot from the Crusades. You will stand at the very place from which Byron swam the Grand Canal and marvel at how a city of less than 150,000 once managed to support 12,000 courtesans.



The Bridge of Sighs.

WINTER SPORTS

ARTHUR SANDLES

ODD THING, skiing. This morning produced very much "give up" conditions here in Muerren. It was snowing heavily and what others might have regarded as a light mist to me was thick fog. The flat light masked every bump and gully and the piste markers were invisible. By lunchtime I was ready to retreat to the alpine comforts of my hotel and spend the afternoon writing.

But scarcely had the boots been discarded and skis tucked away than the fog lifted, the snow stopped and there was a mountainous covered with deep rumpable new powder. Life was not so bad after all and out came the boots and the skis once more. It is the second day

in succession that the weather has done this. Tomorrow I'll stay in bed a little longer.

The skiing in Muerren itself is not extensive, but sufficiently varied to be interesting. The north-facing slopes mean the village keeps its snow while others lose theirs. Lack of snow is no problem this year, however, we are armpit-deep in the stuff.

The heavy falls have produced a nice mix of piste. For much of the time the runs consist of that firm thick base which makes us all feel as if we can ski like Kelly in his prime. On the steeper slopes, however, such as on the famed Kandahar run, the lack of snow early in the season shows. Here the thick new powder is easily displaced to reveal the occasional icy patch. Having stumbled upon the Kandahar by accident on my first foggy morning I treated it with the respect it, and my soft city muscles, deserved.

In these conditions I say another quiet prayer of thanks to whoever invented contact lenses. Skiing in a blizzard, or

even skiing in deep snow, in glasses can be extremely difficult. This morning after trying a smoked goggle lens and the yellow, I still could not get rid

of the flat shadowless effect. Eventually I discarded goggles altogether and saw much better without contact lenses that would have been impossible.

SNOW REPORTS

EUROPE  
Bormio (It.) 40-80 cm  
Isola 2000 (Fr.) 170-240 cm  
Val d'Isere (Fr.) 145-225 cm  
Grindelwald (Sw.) 25-120 cm  
Verbier (Sw.) 27-100 cm  
Wengen (Sw.) 15-90 cm  
Kitzbuehel (Aust.) 65-160 cm  
St. Anton (Aust.)

European reports from Ski Club of Great Britain representatives.  
TSEE U.S.  
Sugarbush (Vt.) 12-34 ins  
Stowe (Vt.) 15-35 ins  
Hunter (N.Y.) 35-78 ins  
Park City (Utah) 32-79 ins  
Aspen (Col.) 32-56 ins  
Squaw Valley (Cal.) 30-102 ins

Figures indicate basic snow depths at top and bottom stations.  
SCOTLAND  
Cairngorm: Hard snow all runs. Access, slight snow.  
Glencoe: New snow, hard base. Access, slight snow.  
Lecht: Hard snow, icy patches. Access, slight snow.

Vegetables old and new

VIRTUALLY all breeding of new vegetables is done for the commercial market since that is where the big demand, and therefore the money, is. Private gardeners must make do with the spin-off from this breeding or with old varieties developed before the present need for vegetables that can be harvested within a very short space of time, often at one operation.

Unless one is planning to deep freeze most of the crop, this is the very last quality required in gardens where the ideal is a variety that can be harvested little by little over as long a period as possible.

That is why I prefer Calabrese Express Proca to any other broccoli I have tried since each plant gives one sizeable dark green head followed by a lot more in ever diminishing size. How long one goes on cutting depends on how small sprouts, but this last year I found it worth my while to go on gathering well into November having cut my first heads in July.

For some reason there are far more tomatoes specially bred for the home garden than any other vegetable. The one that impressed me most last year is called Arla and has been produced by the wholesale seedsmen Hurst who are distributing it for the first time this year in pictorial packets through the usual retail channels. Last spring they sent me three seeds, that being all they could spare, and they did not arrive until well into May by which time my main crop of tomatoes and the variety Kema was already well established in the greenhouse. I sowed individually in small pots and planted the three seedling without any root disturbance, growing them under glass as I thought it was too late to expect ripening outdoors. In this I think I was mistaken for the plants came into flower incredibly fast and fruits were beginning to ripen only a few days later than those of Kema sown at least six weeks earlier.

Arla is a bush tomato which needs no staking and should be allowed to retain all its side shoots. The fruits are small and get smaller as the season goes on but they are numerous and sweet and this seems an ideal tomato for growing outdoors in our uncertain climate. Hurst recommend that it should be sown about six weeks before planting time and that it should not be planted out in the south before June 12 and north of the Humber about June 22. They also suggest three-foot spacing but my late-sown plants did not

make sufficient growth to justify that.

Another interesting tomato is Sweet 100, an odd name chosen, I imagine, to stress the excellent flavour and extremely prolific fruit production of this variety. The fruits really are small but there can be scores of them in a single truss. This is a variety that should be restricted to a single stem, well staked with all side shoots regularly removed. It is clearly of interest only to the home gardener since the fruits are far too small for the market place.

By contrast Tigerella was specially produced at the Glasshouse Crops Research Institute for the commercial market but never seems to have had much success there. The idea was to breed a tomato of outstanding flavour and make it so distinctive in appearance that it would be immediately recognisable in

the shops. For this reason it was given a striped, red and yellow skin and this may well have put buyers off by suggesting that it was diseased or imperfectly ripened. Now Tigerella is appearing in the seed catalogues, in one with the subtitle Mr. Stripes which might make it popular with children. It deserves to succeed for it is a good tomato free of greenback troubles and the fruits of some tomatoes yellow and hard around the stalk. Tigerella is also sufficiently early ripening to be grown out of doors.

Thompson and Morgan are offering a vegetable oddity which they call an asparagus bean, a name I have not met before. An illustration in colour shows a tall, apparently twining plant carrying an immense crop of exceedingly long, thin beans. It is suggested that when these are cut into 4 to 6 inch lengths they look, and cook, like slender gourmet beans.

Neither aubergines nor capsicums (peppers) are any longer in the experimental class and there are some good new or newer varieties of each on offer this year. Aubergine Slim Jim appears in several of the seed lists and is a purple fruited variety in which the colour also extends to the foliage which is violet tinted and quite decorative. The fruits are long and sausage shaped in contrast to the egg-shaped black fruits of Slicerite which can be very big and weighty.

The most profitable vegetable for gardeners in my view is the runner bean which can be grown on fences or walls or trained up tripods or on conventional bean poles so taking most of its bulk up into the air and occupying astonishingly little ground space in proportion to the enormous crop it is capable of producing. Enorma has been my favourite variety for years but, as with lettuce, I think strain is really more important than variety and even an old timer like Scarlet Emperor can give excellent results if it has been well selected. What has bothered me these last few years is poor germination outdoors and I have now abandoned outdoor sowing in favour of raising the seedlings in boxes and planting out in early June.

GARDENING

ARTHUR HELLYER

EDUCATIONAL

ROSEHILL INTERNATIONAL SCHOOL

CH-9000 St. Gallen, Switzerland  
Well-established co-educational boarding school. College preparatory programme with Advanced Placement. Official Test Centre for American CEBE, Oxford GCE and Royal Society of Arts Examination Board. Commercial Studies. Small classes. Holiday language courses July and August. Write for details to the Dean of Admissions.

ALL YOU NEED IS FRENCH

THE CERAN CAN OFFER IT TO YOU  
Our Institute teaches FRENCH ONLY. It means a total immersion in the French language.  
French should no longer be a barrier in the development of new business relations in French-speaking countries.  
Intensive, specialised and tailor-made private courses for all levels—individuals and groups—latest audio-visual and language laboratory techniques. Excellent surroundings—residential Institute.  
For further details, please contact:  
CERAN—Centre International de Français, 16, Avenue du château, B. 4880—SPA—Belgium. Tel: 087 77 22 09.

COMPANY NOTICES

THE GOVERNMENT OF PAPUA  
NEW GUINEA  
US\$25,000,000 9 1/2% Guaranteed Bonds 1983  
S. C. WARBURG & CO. LTD. announce that the Government of Papua New Guinea has issued for a nominal value of US\$25,000,000 9 1/2% Guaranteed Bonds for subscription on 15th March 1979.  
US\$1,500,000 nominal amount of bonds will remain outstanding after 15th March 1979.  
30 Greenway Street, London EC2P 2EB  
10th February, 1979

REQUIRED IMMEDIATELY OFFICE SPACE

800-1,000 sq. ft.  
Preferably, but not essentially, in general area Victoria. Lease up to five years.  
Write Box 75015, Financial Times 10 Cannon Street, EC4P 4BY

On instructions of the Norwich Union Life Insurance Society  
75 Shoe Lane EC4  
6,800 sq ft Self Contained Building To Let  
• Central Heating • Fully Carpeted  
• Automatic Passenger Lift  
• Modern Building  
• Immediately adjacent to the London International Press Centre  
• PABX telephone system installed  
Lander Burfield  
Chartered Surveyors  
36-38 Lamb's Conduit Street London WC1N 3LL 01-831 6311

TRAVEL

HONG KONG  
Fly there in the care of P&O (we've been taking people to Hong Kong since 1845).  
You'll stay in top class hotels, and our P&O office will be on hand to help you get the most from this exciting colourful colony.  
Put yourself in P&O's expert hands and relax. From £560 (14 nights). Flights every Monday.  
Brochure "P&O Air Holidays" from your ABTA Travel Agent or P&O Brochure Service (AHI) P.O. Box 156, Liverpool L69 1HY, or phone 01-247 1611.  
P&O Air Holidays

Pilgrim's Progress  
In the footsteps of Pope John Paul II  
POLAND & ITALY AIR HOLIDAYS  
To commemorate the election of a Cardinal Pope, the Pope of Poland, John Paul II, has arranged for a special pilgrimage to Poland and Italy. This includes travel to Rome, the Vatican and the Pope's birthplace, Cracow, with a night's stay in Rome, a night's stay in Cracow, a night's stay in Rome, a night's stay in Cracow, a night's stay in Rome, a night's stay in Cracow.  
HAYES & JARVIS  
78 Green Lanes, London, NW11 3BE. Tel: 01-235 8675 or 4000.

GARDENS & VILLAS OF TUSCANY  
This 8 day tour based on Florence, will show you some of the most attractive gardens and villas of this region. In addition, it includes a visit to Siena and San Gimignano. Departures are weekly on Wednesdays from 4th April to 20th June and the price is £289 per person. This includes travel by scheduled flight and rooms with private bath or shower at the first class hotel. Write for details.  
RAOUL MOXLEY TRAVEL  
78 Embourne Road, London SW17 8JL. Tel: (01) 872 2437

MINORCA Self Catering Apartments and Bungalows  
Freedom, flexibility and privacy on this unspoiled, sunny Balearic island. Flights by scheduled services of Iberia. One- and two-week holidays. Self-drive car with apartments. Write or phone for colour brochure Groves Travel  
Doris MPT, 78 Green Lanes, London, NW11 3BE. Tel: 01-235 2201. ABTA ATOL 1038

SARDINIA Island of Beautiful Beaches Villa and Hotel Holidays from £107  
Free colour brochure from  
MAGIC OF SARDINIA  
47 Shepherd's Bush Green London W12 8PS. Tel: 01-749-2563

DOWNREW HOUSE HOTEL  
A beautiful Queen Anne house set in unspoilt countryside near coast. Full of charm, peace and tranquillity. Indoor swimming pool with bar. Own approach and parking. Heated pool. Tennis. Croquet. Indoor games. Bar. Children's lounge.  
AA Rosette for Cuisine and Service. Open from March 31st.  
Write for further information or tel: Barnstable (0271) 2857.

YOUR DREAM VILLA  
The choice is yours when you contact the specialists for the idyllic islands of CORFU & CRETE. Right on the water's edge; secluded amongst olive trees on a private estate leading down to the sea; nestled on a hillside with breathtaking views; or in a quiet village with a beautiful bay. Your dream can become reality with prices from only £125 p.p., 2 wks., £298 inclusive of day flight and maid service. Colour brochure 01-433 1233 (24 hrs.).  
Cosmopolitan  
ABTA - ATOL 213B 10 Dover Street, Mayfair, London, W.1.

THE NILE & THE SUN  
Our 21-day luxury tour to Egypt includes a visit to the Nile, a visit to Abu Simbel, and several days in and around Cairo. Tours are escorted throughout by an Egyptologist and an experienced Your Director. Flights to and from Cairo are by the scheduled services of JATA airlines with departures from London on October 12 and December 1978.  
This is the luxury tour that leaves you a mentally stimulated and physically relaxed after the holiday. It is a lifetime, planned and organised by RAOUL MOXLEY from whom details may be obtained.  
Write or telephone:  
RAOUL MOXLEY TRAVEL  
78 Embourne Road, London SW17 8JL. Tel: (01) 872 2437

amathus holidays  
Classical & Pop  
From classical tours to self catering apartments, with a selection of hotels and with complete access to the best of Greece, the Greek Islands, at the Apollo Hotel Agios, and Cyprus. Also 1 day and 7 day cruises round the Greek Islands.  
Write or phone for brochure.  
AMATHUS HOLIDAYS  
51 Tottenham Court Road, London W1P 0HS  
Tel: 01-580 7587/8, 01-636 2143

Philippines  
Fly to this island world blend of Spanish, Malay and Polynesian—with P&O. Stay in Manila, or combine it with a stay at the beach resort of Punta Baluarte in luxury hotels. Superb sightseeing, swimming, new discoveries. And you're cared for by P&O, foremost in the East. 12 nights from £548, weekly flights.  
Ask for brochure "P&O Air Holidays" from your ABTA Travel Agent or P&O Brochure Service (AHI), P.O. Box 156, Liverpool L69 1HY, or phone 01-247 1611.  
P&O Air Holidays

Over 300 villas and Apartments. 24 Glorious resorts. That's the 1979 choice from Solemar, Because our programme is exclusively France, we have to do it well. Properties are personally inspected... some small, some large... some expensive, some real bargains. Some in the fashionable resorts of the South, some in little known villages in Brittany. With advantageous travel rates on selected routes, we're sure we can arrange a holiday for you. Write or phone for our free 48 page brochure today.  
Solemar Holidays Ltd., FT30/12, 62 Shirley Road, Croydon CRO 7EP - Tel: 01-656 2928 (24-hour brochure service)

VILLAS TO RENT IN GREECE  
If you are looking for a really special villa—perhaps a little off the beaten track and with complete seclusion—can we suggest you ask the villa specialists?  
We have some of the best properties available in all of the islands of Corfu, Crete and Paxos. All prices include maid, direct flight—by sea or air, boat also included, and are from £170-£200 per person, 2 weeks.  
Brochure and details: Corfu Villas Ltd., 45 Chiswick Grove, SW7 3JN (open today 10-1). Tel: 01-861 0861 or leave a message on our answer service: Tel: 560 0152.

HOLIDAY ACCOMMODATION  
VALE DO LOBO ALGARVE PORTUGAL  
Luxurious villa in finest development in the Algarve. Close to the sea and within 5 minutes of golf course. Furnished as a private home to the highest quality standard. Garden and private pool. Gardener and maid service. Free car hire with 2 drivers. Free from 20th April to 14th June. Car hire outside this period on request. Tel: 01-586 0210.

ACTON CASTLE HOTEL  
England Tel: Gormea 3444  
(075) 675 675  
Brochures from: Mrs. P. F. Barnaby  
Enjoy gracious living in an 18th century castle by the sea. Panoramic views over Milford Bay. Excellent Cuisine. Licensed.  
Rosedune, Penzance, Cornwall

GO VENTURING  
Venturing can take you on a really memorable holiday in the Himalayas or Kenya in comfort you would never believe possible. Prices start from £675 all in for a two week Himalayan trek this Easter.  
Ring or write for our free brochure  
VENTURING (FTE)  
49 CONDUIT STREET  
LONDON W1R 9FB  
Tel. 01-439 6919

TENBY AND PEMBROKE COAST  
Self-Catering Holidays Galore  
Sea-front flats, coastal and rural cottages, bungalows, farmhouses, etc. Fully catered. Brochure/Map.  
Charles Sir, Chartered Surveyor, Tel: (0224) 2304/6

MONTERRAT VILLAS  
A beautiful unspoilt Caribbean island—superb villas with private pool and maid. Holidays include Car Hire and British Airways flights to Antigua. All villas have maid (some will cook). Prices £276 p.p. for 14 days for 3 wks. Why stay in Europe?  
Villas also available in Antigua and St. Lucia. Tel: (01) 482-8725. PALMER & PARKER, 63 Grosvenor St., London W1X 0AJ. ATOL 764 B

BURNS HOTEL  
Barkston Gardens  
London SW5 0EN  
NEAR WEST LONDON AIR TERMINAL  
100 rooms, private bath/shower, radio, television, English breakfast, restaurant, bar—fully licensed 2 lifts. Special terms to companies. Details and illustrated brochure on request.  
Telex: 27885  
Tel: 01-373 3181 or 7361

HARROGATE Old Swan Hotel  
BRITAIN'S MOST DISCOUNTED CONFERENCE HOTEL  
AA Conference Secretary RAC  
150 Rooms All air-24 hr. service  
Fully equipped bar & restaurant  
Resquet Dining 200+ Budget Restaurants  
3 Restaurants 21 a.m. to 11 p.m.  
TELEPHONE 01937 510000  
One of Britain's PRESTIGE HOTELS  
FOREIGN HOTELS  
AROSA (Grisons) Hotel Valais. First class 1 week ski-holidays from £F.575—all inclusive. Indoor swimming pool. Indoor skating rink. Tel: 74 232.





FASHION

Spin a fine yarn



IF KNITTING conjures up for you dreary, utilitarian objects, created mainly to keep the wearer warm as cheaply as possible, then I urge you to go and visit Laines Anny Blatt in Bedford Street, Covent Garden, London WC2. Laines Anny Blatt (needless to say, its origins are French) provides such a feast for the eye, such a riot of colour and texture that even the least nimble-fingered visitor will long to get knitting.

The shop is the brainchild of David Elliott (he and his wife Rebecca run it together), who used to be in computers but decided he wanted to do his own thing. He'd begun knitting years ago during the war when he was trapped in air-raid shelters and was surrounded by the clicking needles of women knitters. He decided it was a good way to pass the time and soon learned to join them.

However, ordinary, boring old This soft but warm spring coat has been designed specially for Financial Times readers to knit. Laines Anny Blatt chose a subtle combination of brushed wool (Snoob/Anny) and a multi-coloured slubbed wool (Mel/Anny) which are knitted together and create a marvellously rich effect. The coat should be ideal for spring and is designed to look good over the coming fashions. Here it was photographed over a slimline gaberdine skirt and creamy silk blouse from Jaeger's newest collection. The taupe (beige) shoes are £28.99 from West End branches of Russell and Bromley. The model wears a little bow brooch (£2.75) from Fenwick of Bond Street, London W1 in the neck of the blouse. For a copy of the pattern just send an SAE (foolscap size) addressed to us, mark the envelope "Knitting Pattern" and you will receive the pattern by return of post. Photograph by Trevor Humphries

knitting patterns weren't for him. He felt that knitting just to save money or pass the time was bad thinking. Knitting should be a creative and artistic pastime. As he puts it himself, "If you're going to put that much effort into making something, you should end up with a garment that is exciting both in terms of style and quality."

Before opening the shop just a year ago David Elliott did a lot of research into the wool market. He discovered that in 1976 there was a \$100m turnover in hand-knitting yarns and that with the resurgence of interest in the ethnic look in fashion and in old-fashioned crafts it looked a good moment to generate further interest in knitting.

He first saw Anny Blatt wools in France and since he was in a hurry he thought he'd buy some in England. When he found he could not find them here his next step was obvious—make them available. The shop immediately built

up a following of dedicated knitters as word began to spread. People wearing Anny Blatt jackets and sweaters were stopped in the street, tapped on the shoulder in the underground and asked where they had found the knitwear. A pattern of a waistcoat in Miss London magazine sold 3,600 patterns and people began to turn to the shop for specialist wools, patterns and advice.

Anybody who goes along to the shop and looks at the Anny Blatt wools will realise at once why they are so special and why the Elliotts felt they must bring them over here. The colours are breathtaking, ranging from the subtle and sludgy to the rich and glorious, and taking in many ravishing colour combinations as well.

The textures are equally beautiful—there are string-like, knobby yarns, thick, soft, plump wools, firm wools, specialist wools like camelhair/wool mixtures, alpaca, angora and a textured mixture of cotton/linen/viscose. There are altogether about 40 different ranges of wools and some of them come in up to 37 different colours.

However, beautiful wools need to be allied to stylish designs and this is where the shop really scores. The French company, Laines Anny Blatt, produces four books of adult fashion each year (they go under the name of "Anny Malle") and each of them is what the Elliotts describe as a "fashion statement"—they are exquisitely photographed in full colour and all exude a sense of taste and style.

Whereas most knitting patterns are usually somewhat behind the fashion times, the Anny Malle designs are if anything ahead, so that not all the designs will appeal to everybody. If you want any of the Anny Malle books they cost £1.25 each (the spring book is due out at the end of February) and are available only from Laines Anny Blatt, 20 Bedford Street, London WC2. Add 16p



Readers who feel that perhaps the spring coat isn't quite warm enough for their chilly bones might like to consider knitting something warmer—like this layered look of coat and gilet. At the shop, Laines Anny Blatt, 20 Bedford Street, London WC2, there is a whole collection of other Anny Malle knitting books from which any designs can be chosen—though these, of course, will not be exclusive, nor will they be free as you will have to buy the book in order to get the pattern (each book is £1.25). I particularly liked this design from the Anny Malle winter book (issue no. 20) as the two pieces of coat and gilet can be worn independently in warmer weather, but in really cold weather can be teamed up to give an extremely snug effect. The outfit photographed is in two shades of grey but readers who might consider knitting the complete set should remember that it will take quite a lot of expensive wool—the coat alone uses 13 balls of wool, while the gilet uses 49. The new spring Anny Malle book of patterns will be out and available from the shop at the end of February.

LUCIA VAN DER POST

WHERE TO SPEND IT

Pollyanna Very special clothes for children. At last, someone who shares your ideas about children's clothes. Includes a coupon for requesting a catalog.

Settees from £322 JOHN ALAN DESIGNS. Luxury settees with high or low backs, fixed or removable covers, piped and skirted if required.

The Space-Saving Bed Centre. Shows various bed models and offers a free catalog.

BRASS BEDS and headboards. A large selection of both Antiques and Reproductions.

All-white storage cubes £5. This is the average cost of each of our 15 cubes in white melamine.

fisherman's smock. Includes a coupon for requesting a catalog.

WINE WHOLESALE TO THE PUBLIC. Ch. Domaine de l'Ourme 1975 £18.40.

pine beds moriarti. Manufacturers of the largest range of slatted pine beds.

THE NIKON SPECIALISTS. EURO FOTO CENTRE. High Road, Cowley, Uxbridge, Middx.

Lessiter's of London. PERSONALISED VALENTINE HEARTS.

comfort. Comfort in a completely new kind of chair called the Suffolk Recliner.

PEDEMIETER AS FEATURED T.V. AND PRESS. We admit we stock of the most high weight pedimeter.

Elegant Fireplace Safety Curtains. GET DECORATIVE PROTECTION FROM THESE EXCLUSIVE WOVEN STEEL-MESH CURTAINS.

JUST DESKS. Period and reproduction pedestal desks, partners desks, writing tables, daynappers and desk chairs.

UPHOLSTERY SALE February 10 to 24. Hundreds of Bargains including: All couches & chairs in Catalogue.

"Farewell to £.s.d." COMPLETE PRE-DECIMAL COINAGE COLLECTION. An historic keepsake... an attractive and unusual gift.

WOODEN LOO SEATS. We produce a large range of beautiful wooden lavatory seats.

WHERE TO SPEND IT EVERY SATURDAY. Rate: £10 per single column cm (minimum 3 cm).

For the Executive wishing to aspire to Company Chairman. £100 worth of luxurious leather briefcase for just £34.95.

NOW YOU CAN SCREAM WITHOUT OPENING YOUR MOUTH! The Mini-Card Spray.

The Rookmoor Collection. Sleepyheads, Beautiful Knotty Pine, Pottery, Sumptuous Comfort.

TYPENWRITERS. over 1,000 machines in stock. BENNETT TYPENWRITERS LTD.

Money back if not delighted. 99582 England 06F T01

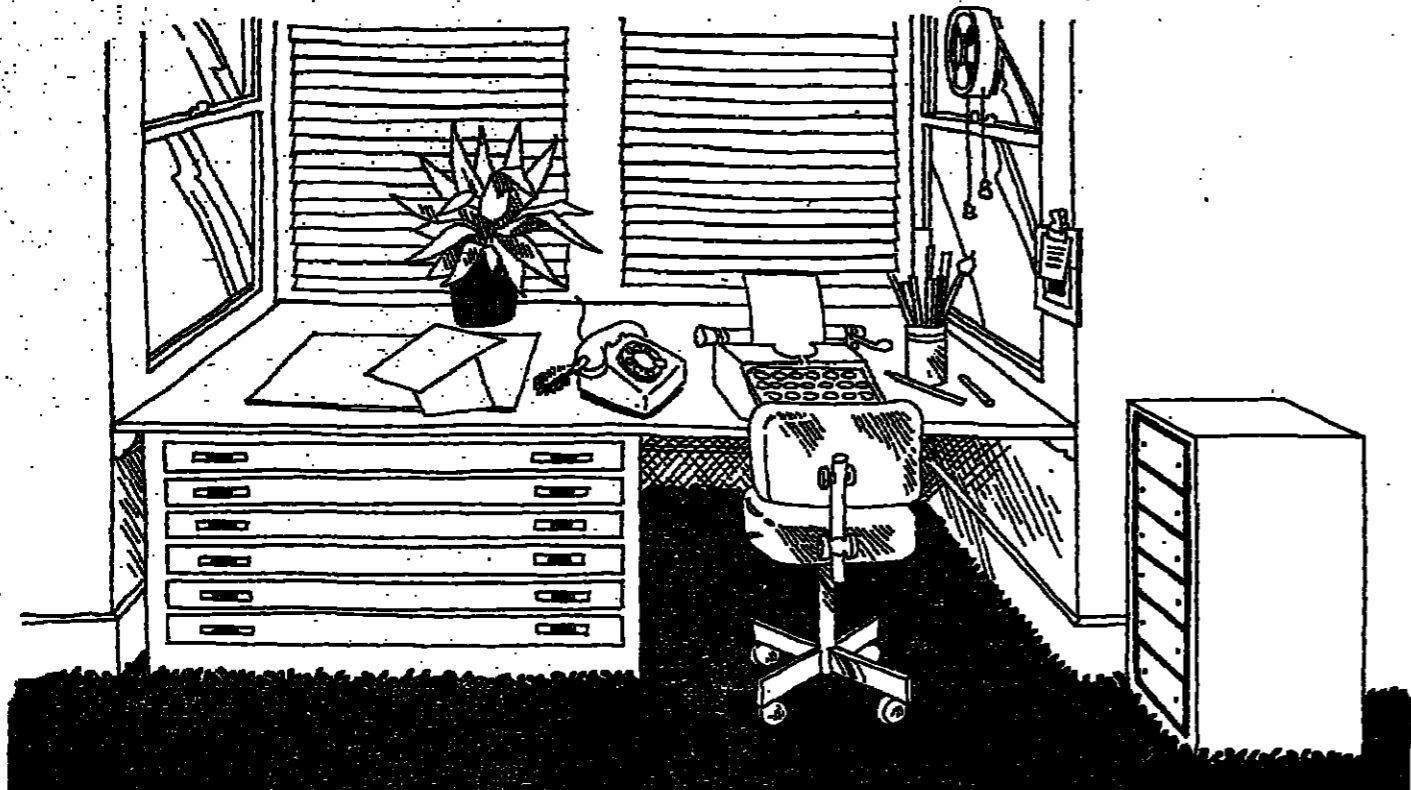
# HOW TO SPEND IT

by Lucia van der Post

## Work at home and like it

Everybody needs some kind of working space at home—whether it's just for planning menus, answering letters and taking messages or to help run a full-scale business. Whatever your needs the successful home office

requires careful planning and lots of thought. BELINDA BLACK, a home editor who has recently turned freelance, here offers her thoughts on the subject, culled from her very personal experience. . . .



Frank Wheeler

Donald Maxwell, a director of CubeStore, has used an otherwise wasted bay window to make an inexpensive office area. He bought a six-drawer plan chest secondhand for £20 (these are still to be found in secondhand shops, though you are unlikely to find them quite so cheaply) and it provides the

basic storage he needs. He then fitted a white melamine-faced chipboard top over the chest and the remaining space in the bay. He thus has ample working-surface. On the right-hand side is a CubeStore B6 unit, which cost £23 and houses all his pencils, pens and other small office items.

WORKING from home has both blessings and perils, as I've found as a relative newcomer to the freelance scene. Creating a business-like and pleasing environment is vital, as is stocking up with the right equipment—which is getting more expensive by the minute. Without the facilities of a large organisation—or a secretary—to fall back on, you do need to be self-sufficient and ultra disciplined, and not waste energy on mundane problems, like running out of paper clips.

convenience—not in some dark corner like an unused stairwell. Most people who work from home do so either from choice—as I have—or necessity. Either way, one wants and is free to make one's working space visually stimulating, rare in a commercial office.

First essential is a large desk or work surface. Mine is a 7 ft (2.134 m) by 2 ft 6 in (814 mm) piece of 1-inch (25 mm) deep chipboard, big enough both for piles of folders and for a vase of flowers at each end. It is covered in grass green felt simply stapled to the underside, bought from the Edt and Bessian Shop, 34, Greville Street, London, EC1, just off Hatton Garden. It comes in some 77 stunning colours, 72 inches wide, and costs £2.68 a metre. By post they will supply shade cards, of both hessian and felt for 54p each.

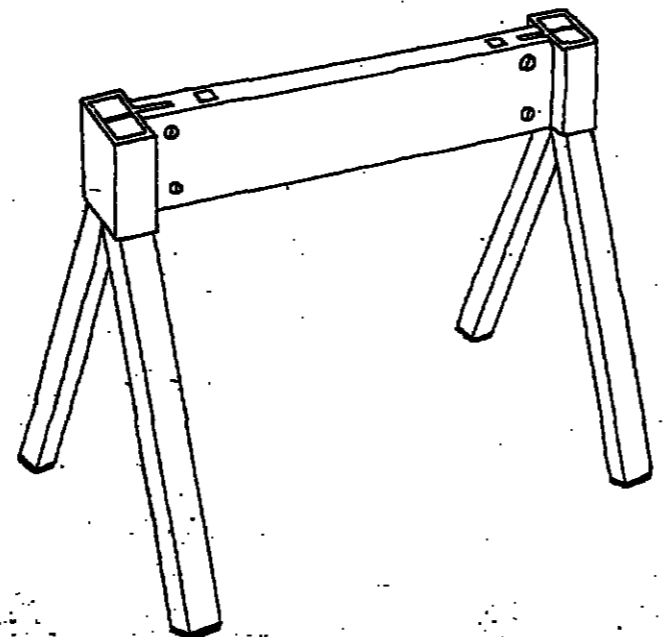
I chose to work in my bedroom, rather than the large spare room I had originally earmarked. It looks out over trees and gardens and sunshine streams in from the large window beside me. It is my favourite room in the flat and psychologically very important—I feel at ease here, despite having had to shift the furniture around. Others have said the same—work where you feel happiest, on the kitchen table or wherever, despite the in-

If I didn't already have a desk, I would go for the Legs top support system made by CubeStore, 58 Pembroke Road, London, W8. These are pairs of "trestles" with a central support, 28 1/2 in. wide, which you screw together to make a very sturdy base for any size of table top. A pair of Legs in white is £19.50, including VAT and carriage; in chrome £25, and in aluminium £19.80. CubeStore offers a white melamine faced top, 18 mm thick, size 54 in. by 30 in., for £8, but you do have to collect it from the showroom. Alternatively, it would be possible to use chipboard from a local timber merchant, approx. £5.80 for a 8 ft. by 4 ft. sheet, or a standard door, 6 ft. 6 in. by 30 in., approx. £7.30 for white painted board.

The Legs system is ideal for working from home—inexpensive, and easily demountable. It is also smart enough to be included in a living room. Write to CubeStore at the above address for a catalogue.

Storage is the next problem—how to make it look nice and have enough of it. Ingenuity is the answer here—I've seen the most innocuous-looking cupboards, plan chests, mahogany bureaux, cane trunks, fitted out to hold anything from a typewriter to reference material, often situated away from the actual work area. This bears out my previous comments—evolve your home office around you, rather than you around it.

If you need a nice large unit to hold reference books and magazines, the Buzz storage system at Heals is one of the best I've seen. It is made of pale coloured pine, with five adjustable shelves in a rectangular frame, braced by a diagonal crossbar. Two doors back-to-back would make an excellent room divider. Each unit is £50.



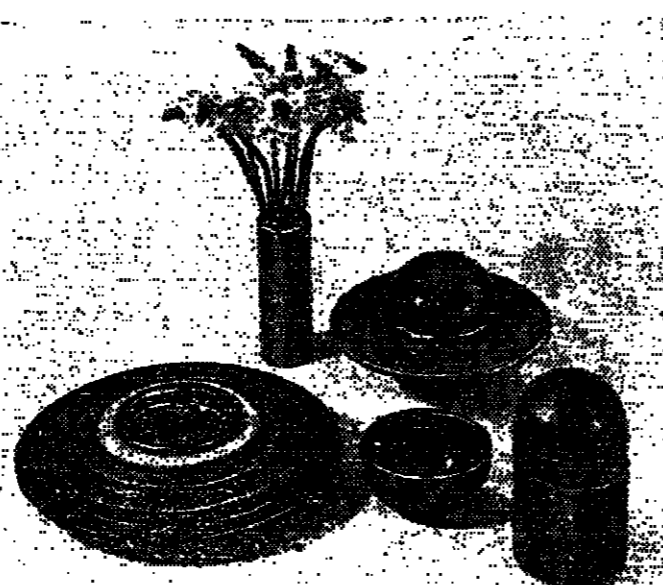
The CubeStore legs which, at £19.50 a pair, can be used as the basis for forming an inexpensive desk (or dining-table, come to that). Top with wood, glass, marble or an ordinary standard door.

I keep a comprehensive library of manufacturers' catalogues, brochures, etc., which are stored in two deep white two-drawer metal cabinets bought at Ryman's. One winces at their current asking price, £67.18 each, so be sure that whatever you choose is suited to your needs. Another buy I'd recommend is a vertical 15-drawer unit, again in white metal, with labelled trays that can be lifted out and brought to desk or table. I use this for stationery, invoices, photographs, a specific project, and often change round the contents. Two firms which do alternative systems are Granelles Ltd., 256, Church Road, London, E10, and CubeStore, at above.

To be more flexible, what better than a storage box on wheels, which can even be used for drinks and glasses. The Plastigraph and Boby trolleys, made by Zucor Bieffe of Italy, fulfil such a need, and are very handsome to have around. Moulded from ABS plastic in lovely bright colours as well as white, they have a series of pivoting trays and pockets on top for such things as peanuts or pencils. Both are made in alternative versions. The Boby costs from £37.30 to £54, the taller Plastigraph either £47 or £55. From Ryman Contracts, 200 Tottenham Court Road, London W1, or Wightman Mountain, 15 Artillery Row, London SW1.

For lighting I use a double floor spotlight. It's wonderful not to have to suffer fluorescent tubing any longer, and to be able to direct and bounce back light where I need it. Habitat do two versions of floor spotlight, either £16.50 or £18.

My seat is a foam-topped yellow stool, which tucks away



Stacking ceramic shapes for ultra smart offices. In lovely bright colours. The set of shallow dishes is £20.27, the layered pot is £13.29. The vase is £1.50 and the flying saucer £2.12. All from Ryman Contracts Showroom at 200 Tottenham Court Road, London W1P 9JA and 120 Moorgate, London EC2.

**Halcyon Days special enamel St. Valentine's Box for 1979**

"For my Love" Hearts and flowers—bouquets of violets within heart-shaped panels against a shell pink trellised background; the date is inscribed inside the lid.

Production cases February 28, 1979. Obtainable only from Halcyon Days.

This year, identical at Halcyon Days Retailer

Halcyon Days Ltd. 44 Brook Street, London W1Y 1AA. (Closed on Saturdays)

Please supply: Valentine's Boxes of £15.90 plus 6p U.K. post. Overseas Airmail £2.00. Cheque enclosed value £.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

**ELEGANCE EFFICIENCY ECONOMY**

Warm to the luxury and economy of Kamina. A beautiful wool burning heater. Attractively finished in Charcoal Grey, Brown, Dark Green or Beige. Pyrex front, removable barbecue, draught and the adjustment for maximum, medium and slight burning. Back boiler 20,000 BTUs.

The KAMINA burns wood not money.

Please send details of heaters, cookers and nearest stockist.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_ FT10J279

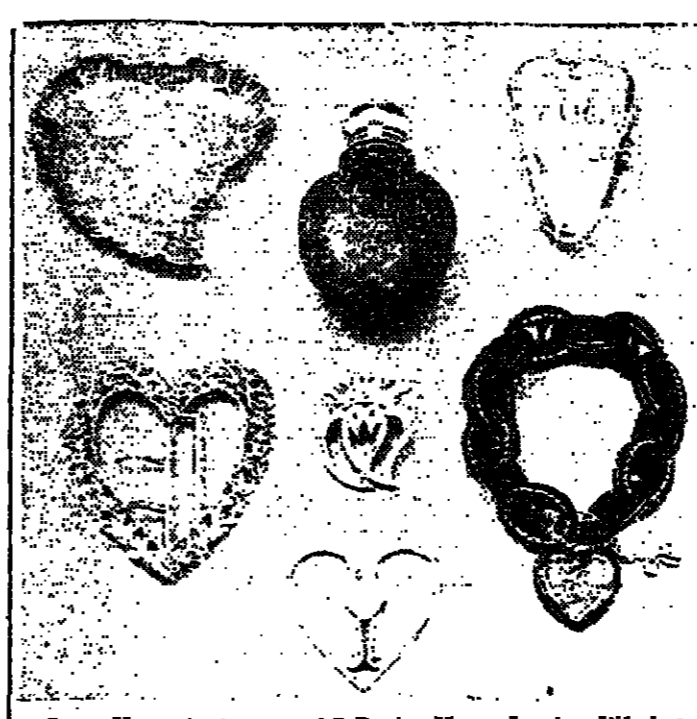
14 Church Street, Tottenham, Middlesex, TW1 3NU. Tel: 01-892 1815

**Le Feu de Bois**

**LEATHER CAPTAIN'S CHAIR DIRECT FROM MANUFACTURER**

The elegant Captain's Chair is now available at only £225 inc. VAT — at least £100 below the price. Upholstered in full grain antique finish leather with hand polished solid mahogany gallery and legs. Swivel and tilt action. 360° tilt back 27" x 21" depth, 21" width, height 21 1/2-31". Available in antique shades of green, red, tan or dark brown. Send now for order form, colour samples and leaflet. Delivery free UK Mainland. Available ex-stock. Limited offer at this price.

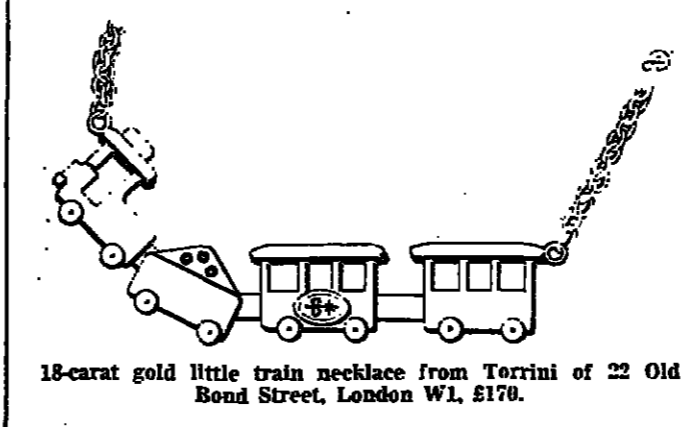
OSMEYMAN LTD., HOWARD HOUSE, 30-31 HIGH STREET, LEWES, SUSSEX. TEL: LEWES 7756.



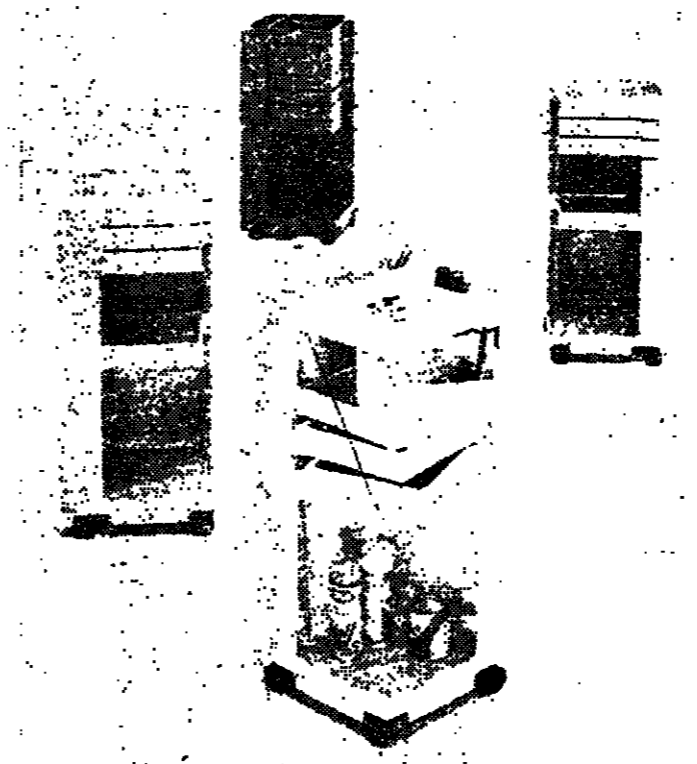
Grays Mews Antiques at 1-7 Davies Mews, London W1, has built up fine collections of antique jewellery and as jewellery is still one of the most favourite of sentimental presents (after all, one would never think of giving jewellery to a casual acquaintance) anybody who wants to find something really individual should pay a visit to the markets.

This year they aren't having a special Valentine display but most stalls should be able to turn up something both pretty and relevant. Photographed above are some enchanting pieces. The heart-shaped pin tray comes from Holland, is about 90 years old and costs £40 from McAleer. The heart-shaped green glass perfume bottle with a silver top is Victorian and is £38 from Ruth Stanley. The little heart-shaped silver case, top right, is a scissor case, Dated 1906, it is £22 from Dereham Antiques. Bottom left is a silver plate buckle, 1900, £33 from Pierrat. The tiny double heart with crown in white, blue and green on silver is a sweet brooch or pendant and costs £38 from Jacqueline. Bottom right is a charming bracelet, a pique chain and heart inlaid with gold. This is much the most expensive item in the photograph and costs £150 from Antony Cramer.

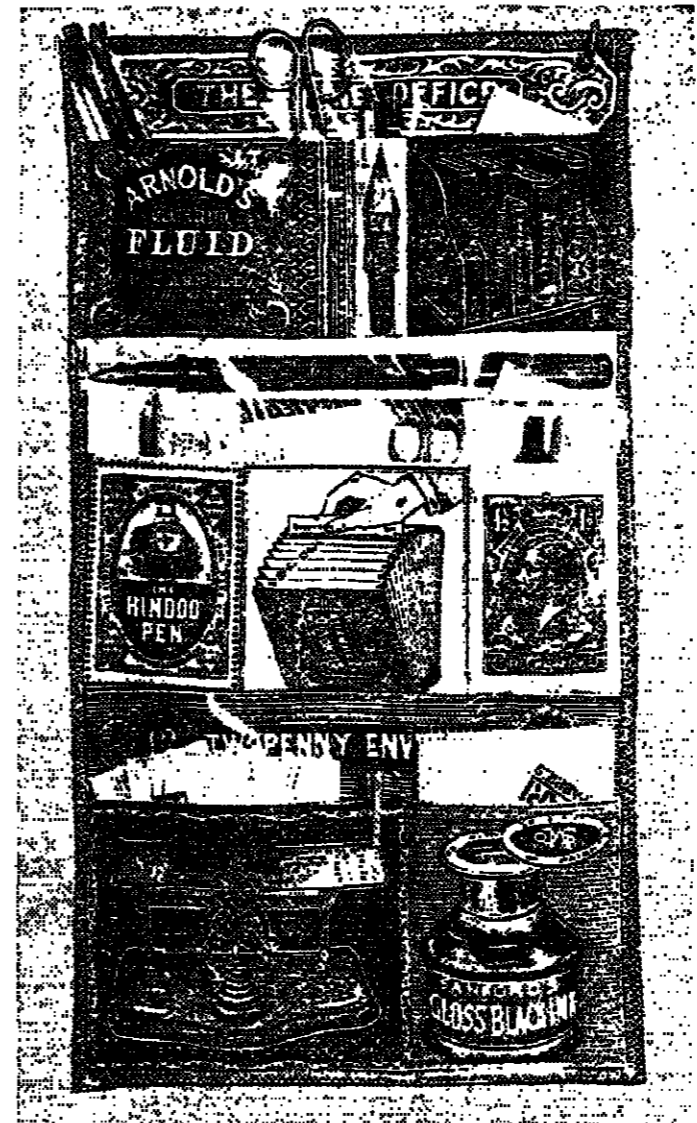
Finally at the bottom of the photograph is a heart-shaped silver money clip for £35 from Lynn and Brian Holmes stall.



18-carat gold little train necklace from Torrini of 22 Old Bond Street, London W1, £170.



Plastigraph mobile trolley made by Zucor Bieffe of Italy has pivoting trays and is set on castors so that you can move it about easily. It can have either two or four pivoting trays as well as compartments for rolled drawings and three fixed shelves. In white, green, yellow and orange, the price ranges from £47 to £55, depending on the number of trays. Available at Ryman Contracts.



If you can't completely replan your office this PVC Home Office Tidy by Sari Fabrics should help keep things in order. It's made to hook on a pegboard or wall and comes in three colourways, basically red, brown or blue, and retails at about £2.95 from leading stationers.

## Love me do

THIS PARTICULAR year does not seem to me to have anything intrinsically more romantic about it than any other (rather less, come to think of it, if anything) but for some strange reason shops are awash with enticing suggestions for inducing even the least romantic of us to turn our thoughts, if not our pockets, in that direction.

The cynical will, of course, say that all this is just a purely commercial device for parting an honest man from his hard-earned money but some of the ideas are so beguiling, so beautifully wrought, that more than just commercialism must have gone into their production—some taste, skill and imagination have been at work besides.

The prudent, well-organised lover will no doubt already have followed up one (or more) of Christine Burton's suggestions of a few weeks back. However, there are always those who are temperamentally incapable of doing anything until it actually has to be done, as well as those who may only lately have met the object of their current affections. For all of these I offer a few last-minute Valentine suggestions.

Justin de Blank, who runs some of the most delectable food shops in London, has some mouth-watering ideas for those for whom any festival must inevitably be accompanied by some celebratory guzzling. He offers heart-shaped cheeses

—a Coeur de Neuchatel from the Pays de Bray region in Normandy which has a velvety texture and is 75p. From Picardy comes a rich, cream-yellow heart-shaped Coeur de Rollot with an orange ring and all packed up in a presentation box for £1.25. For those who like a stronger tasting cheese there is the Coeur d'Avesnes made in the traditional heart shape for £1.05 and, finally, my favourite, Coeur de la Creme, a sweet, soft white cheese which comes in white heart-shaped china moulds and which is, to my mind, an infinitely superior accompaniment to soft fruits than ordinary cream (60p for the cheese, the dish is extra).

There are shortbread hearts at 20p each (for those out of reach of Justin de Blank, the idea is easy to copy—just buy heart-shaped moulds and cut the shortbread pieces out before baking). If you're feeling lavish and want to dine a daisy on St. Valentine's day, Justin de Blank branches at 42 Elizabeth Street, London SW1, and 136 Brompton Road, London SW3, can provide a luxury take-away meal for two (at a price, of course).

They suggest Oyster Bisque, Boeuf en Croûte and a heart-shaped Strawberry Pavlova.

If food is not your line Justin de Blank can offer tiny red heart-shaped tins containing sandalwood-scented candles at 50p each or translucent pink hearts of soap at £1 each or £3.50 for a set of three, all boxed and with a special card included.

Liberty of Recent Street, London W1 is another good source of inexpensive presents. For £1.25 you can buy your love an amazing red heart-shaped record by Alan Price. It's a limited edition, has a Victorian Valentine cover and though I can't vouch for the music the titles "Baby of Mine" and "Just for You" seem to suggest that you should choose the recipient carefully.

Heart-shaped pendants, pretty hand-painted with tiny flowers and strung on matching plated ropes come in three sizes and lots of different colours—£2.25, £3.25 and £6.25.

For the more literarily-inclined there is "The Lover's Companion," edited by Elizabeth Jane Howard and probing the pleasures and the anguish of loving. Published by David and Charles, it costs £4.95.

Expensive, but very pretty, is the heart-shaped cushion covered in Liberty prints for £7.80.

For those who feel inclined to lash out in a rather bigger way a new shop called Torrini, specialising in jewellery from Italy, has opened at 22 Old Bond Street, London W1. Most of the expensive side but some of the Valentine suggestions are exceedingly pretty. Not specially related to hearts or flowers but very appealing are their bracelets or pendants in 18-carat gold which feature a little train, an aeroplane or a rocking-horse.

Each of the designs incorporates some diamonds and prices start at £170.

Less expensive and very much in today's mood is a little stick pin, again made from 18-carat gold and topped with a little diamond, for £22.

There are tiny heart rings for about £80 and a really enchanting little set of a delicate gold necklace with four daisies each featuring a small diamond at the centre, earrings and a ring for £445.

## Harrods Quality Harrods Value

See our exclusive collection of furs from GROSVENOR CANADA representing superb quality style and outstanding value.

Make a special note of the beautiful Minks we are offering at prices you can afford.

Shown here: Beautifully shaped coat with bell sleeves. Blackglama, Autumn Hoze, Demi-Buff or Tourmaline. 4-18 £2,695

Interest-free Credit £450 deposit and 5 monthly payments of £449 each.

Fur Rooms. First Floor. Personal shoppers only.

**Harrods** Knightsbridge, London SW1X 7XL 01-730 1204

BOOKS

Marvellous Max

BY C. P. SNOW

Max Perkins: Editor of Genius by A. Scott Berg. Hamish Hamilton, £9.95, 498 pages

It didn't take long for Americans to decide that practitioners in any activity weren't to be trusted with their jobs. They needed master minds to tell them what to do.

The emergence of the coach as dominant figure happened before the end of the last century. On a good many campuses the coach became a more illustrious personage than the President and, of course, more than any of the coach's players.

Very much the same occurred in American publishing. Writers were presumably necessary to produce the raw material. But it needed more competent and sophisticated minds to turn this into publishable books.

Beyond any reasonable controversy, the greatest American editor has been Max Perkins. Here is a good biography by a young American scholar.

able man and a slice of American literary history. Perkins died over 30 years ago, but he remains a literary hero, much more than most of his authors. He was a New Englander of good family, ancestors arriving in Massachusetts in the mid-1600s, one grandfather a Secretary of State, another the first serious American art critic.

He had to earn his living. He had the standard upper-class education of his kind, St. Paul's, Harvard, and got a job at Scribner through those connections. His first job was Advertising Manager, somewhat oddly for this most retiring of men.

At that time (1909), when Max was 25, Scribner was already an old established house, highly reputable, middle size, prosperous, decorous (though legend has exaggerated the firm's excessive propriety). Their star writers were Edith Wharton, who was highly profitable, Henry James, who wasn't, and Galsworthy. Although Charles Scribner II, who had been president over the firm for 40 years, still took major decisions himself, there were already professional editors, of whom the chief was a cultivated conservative character, W. C. Brown.

Max Perkins was himself in many ways deeply conservative. In social manners he behaved like much of the rest of the Scribner hierarchy. It was Charles Scribner himself who made him an editor very young. When Max struck out on his independent line, it was the old man, who sometimes grumpily, backed him. Max was in his thirties when he found his independent line. He acquired the first rough draft of a novel by an unknown young man

called Scott Fitzgerald.

Max might be conservative, but he had a strong instinct for novels, and a passionate impulse that America ought to create its own entirely indigenous literature. He was a repressed creator himself, and would justify his existence if he could help.

He knew, with the certainty of discovery, that Fitzgerald was a new voice. The book was reshaped and reshaped again. The succeeding versions are among the best examples of Max in editorial action. He then had to fight the book through at Scribner against Brownell and other seniors. Charles Scribner came down on Max's side. The rest we know. The book was a startling success, commercially and in esteem. Max went on to propel a way of that decade's American literature—Hemingway (sponsored and promoted by Fitzgerald), Ring Lardner, Thomas Wolfe.

Max had need of a repertoire of psychological as well as literary techniques. With Fitzgerald, who had very good artistic judgment and knew at least what he ought to be doing, Max had to be more like a guardian angel, marriage counsellor, family lawyer, private banker (sometimes out of his own pocket). Hemingway would take literary advice from no one on earth, but in his paranoia needed a bodyguard. With Thomas Wolfe Max became a collaborator. Wolfe, who in primary impulse had a kind of genius which the others hadn't, had no constructive capacity at all, in the routine sense no talent.

Max hacked a novel out of gigantic inchoate slabs of Wolfe's enormous typescript. That was the most extraordinary feat of editorial work so far on record. Was it worth it? The answer is yes. Look Hemingway. Anger swept a generation of intelligent young as no novel has done since and, in spite of all the excesses and absurdities that Max had to leave in,

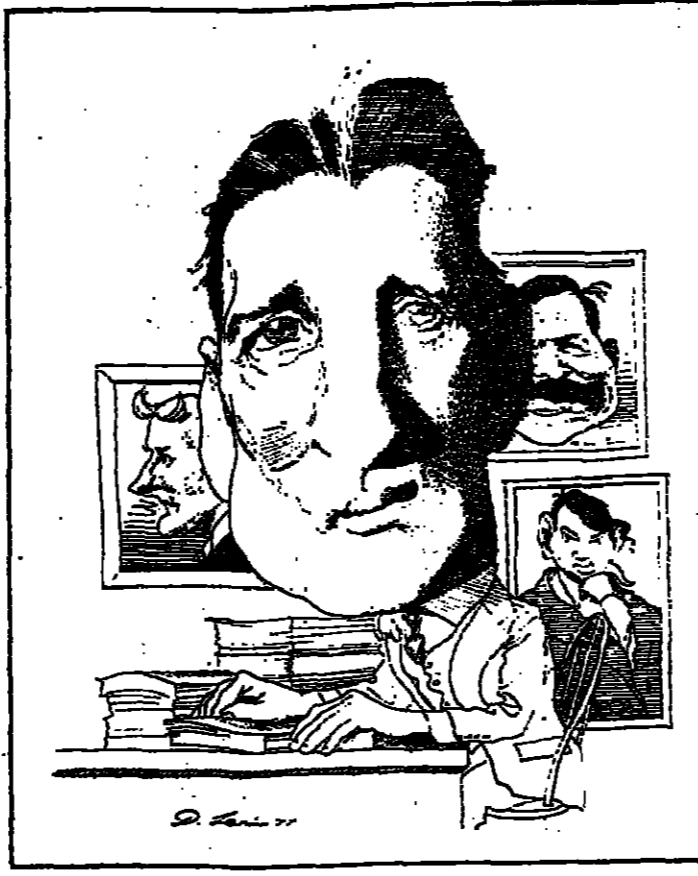
the intelligent young weren't wrong.

Max was more intelligent and a deeper character than any of his protégés. He may have envied them their egocentricities and their freedom from the bonds of uprightness he couldn't escape. He got a kind of artistic satisfaction out of his work and at the same time suffered from it. He may have taken tight-lipped pleasure from the approval of the few who knew what he had really achieved. He may have felt that these people he was cherishing would leave some memorial behind them and that he wouldn't. That turned out to be untrue, but he didn't have provision.

He also paid some minor penalties. All his protégés were alcoholics, or to put it at the mildest, drunk. Max was a pretty heavy drinker before he became the great editor and in that company it would have

been hard not to become a heavier one, traipsing the New York streets for hours with Thomas Wolfe, listening to interminable dithyrambs, dropping into bars for a rest and more alcohol, going out next day to see Hemingway prove he was the best drinker in the world, having a lunatic meal with Scott and Zelda. Of all the horrors of being embroiled with that crew, that last would have been the most excruciating, fundamentally amiable character though Fitzgerald was.

There was an idiosyncrasy of Max's that no one seems able to explain. He had a correct New England sense of punctilio and careful American manners. He was good-looking and kept his hair until, at the age of 63, he died. The oddity was that in the office and, apparently wherever possible indoors, he always sat with his hat on, drawn down over his ears.



Max Perkins by David Levine

Fiction

Prisoners of the past

BY ISOBEL MURRAY

Transit of Cassidy by George Turner. Hamish Hamilton, £4.95, 258 pages

Document of the Last Nazi by Matthew Eden. Hamish Hamilton, £5.50, 237 pages

Aladale by Shaun Herron. Jonathan Cape, £5.95, 388 pages

From the Broken Tree by Lee Langley. Heinemann, £4.95, 408 pages

Transit of Cassidy, among other things, is about the abrupt and rapid progress of Mike Edwards to adulthood. We meet young Mike, aged 15, when he has impetuously run away from home and mother in Sydney and hitch-hiked to Melbourne in a dramatic attempt to discover his lost father.

The interest of the novel is mainly in George Turner's narration: before we meet Cassidy, we learn different accounts of his past, from characters interesting in themselves. Mike starts with former sports reporter Jack Wild, who has, as we discover, his own reasons for shame, and avoiding Cassidy.

More and more Cassidy seems to resemble a monster rather than a man, a madman at times, a Narcissus even in all his seeking after love. The eventual confrontation of father and son, with most of the others in the wings, is dramatic, and its outcome unexpected.

of almost exclusively male characters are foreign to me, but I admire the tight construction of the book and its economical expression.

I enjoyed Matthew Eden's first novel, Document of the Last Nazi, and find it an accomplished first effort. The plot revolves around a real historical book—now Hess's existence allows Russian guards by turns into West Berlin to guard Spandau, and this access is treasured.

In that case, do German Nazis want Hess dead, to make him a martyr and banish the Russian presence? Perhaps, after a murder attempt on Hess, a series of murders begins, brutal, efficient and puzzling.

This fictional Hess left a document in 1945, to be opened after his death, and now this has been stolen. What did it say, and whom did it threaten? The account is a skilful blend of fact and fiction, with the solution just plausible. While the politics of the book seem to indicate an oversimplifying anti-Russian bias, it fails to spoil the effect, and I look forward to Matthew Eden's next book.

Writers as accomplished as Shaun Herron and Lee Langley do not need to build their interesting historical fictions around complex, long-drawn-out and often tediously obvious love lives, and I wish sometimes they would do without. I wish also that sales did not justify the trend, and suspect the next two novels, custom-built, will sell well.

scribes the economics of saving to send families to united exile on Prince Edward Island. The clan chief is malevolent and absent; the rightful heir is preoccupied with raising money in time, mainly by the illicit distilling of a malt whisky.

This gives the book a liveliness and vigour which are welcome, and the tragic confrontations of sheriffs and tenants are contrasted with some triumphantly comic confrontations of excitement and smugglers, with women prominent in both cases. It could have been a new, inventive novel of the Clearances.

For me this possibility is blunted by the relentless need for "love-interests" that follow Davy Bourdon everywhere. His Edinburgh landlady must initiate him into "life," and acquiescently fade out of his future without acknowledging her pregnancy: all the women in the novel twice his age wait to sleep with him, and most succeed, until he succeeds in marrying his dead chief's young widow, and living happily, etc.

Lee Langley's subject, European Jewry, is one even more sensitive to treatment. Here is a family saga set to jerk our heart-strings through post-war and riot, the Sydney Street siege, two world wars, the Israeli war—and would you believe Palestinian terrorists at a family party?

Lee Langley does not have to write like this. This kind of novel engenders in me, perversely, a kind of literary anti-Semitism contrary to my every belief.

The character of Leah is typical. In Poland she chooses between revolutionary Mordcaai and orthodox Chaim. Don't worry about Mordcaai: he will spend the next seventy-odd years touring trouble-spots, and Leah's violent attraction to him surely cannot be denied for ever? (Alas, so.)

So Chaim and Leah happen to live in Sydney Street, London, suffer, procreate, lose some and suffer more. Whatever happens, Leah suffers (bravely, of course). At the end, at the height of the Palestinian war, she sings: "Why did no one strangle her, back in Poland?"

Tory history

BY ZARA STEINER

A History of the Conservative Party Volume Three. The Age of Balfour and Baldwin 1902-1940 by John Ramsden. Longman, £13.00, 413 pages.

This book is part of a four volume History of the Conservative Party covering the years 1830 to 1974. The party has proved amazingly adaptable, repeatedly adjusting its principles and membership to survive the fierce struggle for existence. The pattern was set under Peel, Disraeli and Salisbury but has continued throughout the present century. There have been changes in the balance between the social groups dominating the party and alterations in party machinery at the centre and at the local level which has enabled the Conservatives to attract votes despite an altered and enlarged electorate. But basic to its success has been the willingness to modify, alter or abandon principles which were politically moribund.

It is not always easy to paint a sympathetic picture of a party which, as Dr. Ramsden argues, has subordinated policy and ideology to the drive for power. Dr. Ramsden makes of this absence of principle a major virtue. He emphasises the "negative pragmatism" which enabled successive Conservative leaders to draw their followers away from diehard assumptions; and forced the party to accommodate itself to the demands of new voters with views to the left of centre. The focus of this book is on the

activities of the party leaders and on the Tapers and Tadpoles who created the Conservative machine. It is not strong on ideology and with one important exception, does not deal in great detail with Conservative policy.

In fact, a good part of the book is devoted to the "nuts and bolts" of party organisation. There is a mass of new information on how candidates were selected, campaigns run, and votes won, gathered from an impressive variety of private papers, party archives and political pamphlets. Much of this will interest the specialist more than the general reader but Dr. Ramsden clearly makes his point that good organisation often made the difference between victory and defeat.

There is an unevenness of touch in this book which may result from Dr. Ramsden's concentration on the success of the party and his particular interest in the inner workings of the party mechanism. His handling of Balfour (possibly because Salisbury was covered in an earlier volume) and Joseph Chamberlain is less satisfactory than his understanding portrait of Bonar Law. The short chapter on the First World War seems to be inadequate given the enormous amount of debate over the demise of the Liberal Party. There is surprisingly little said about foreign policy and Conservative attitudes even when they become the central issue of debate. The concluding chapter on Neville Chamberlain throws little new light on this still very

controversial figure in the history of the party.

These reservations do not apply to Dr. Ramsden's treatment of Stanley Baldwin. In this central section of the book, the author combines a superb portrait of a complex character who "chooses to masquerade as a simple one," a concise analysis of the "New Conservatism" and a description of the intra-party battles which in the end defeated Baldwin. The usual discussion of party organisation is balanced by an explanation of what Baldwin stood for and what he tried to do with the party. It is not surprising that the book comes to life with Baldwin for this seems to be the figure who engages Dr. Ramsden's full sympathy. He was the leader who forced his followers to accept a programme for which they had little sympathy but which met the wishes of a major part of the electorate. The "die-hards" were forced to give way, the party, grudgingly and at a price, adapted itself to the times.

Dr. Ramsden's assessment of Baldwin's contribution to Conservatism will provoke a good deal of debate. His description of Baldwin years ago, particularly pertinent in the light of the present situation. Those journalists who have seen the present Prime Minister as a Baldwinesque figure will be much to confirm their views on these pages. The differences in circumstances and mood are obvious but this particularly chapter in the history of the Conservative Party has a strange relevance for Mr. Callaghan. So does the book's price.



A contemporary medalion of Captain James Cook who died in Hawaii, killed by the islanders, on 14 February, 1779. It is reproduced in "Captain Cook and the South Pacific" British Museum Yearbook 3 (British Museum Publications, £10.00). The book contains a series of illustrated papers discussing the latest research into Cook, his followers and the artefacts they collected in the South Seas.

Crimes

BY ELIZABETH FORBES

A rattling of old bones, by Jonathan Ross. Constable, £3.95, 187 pages

Willie Biore, third-rate burglar, discovers the mummified body of a pregnant woman in the cupboard of an empty house. Judith Quint, rich, nymphomaniac owner of the house, hasn't been seen for five years. It looks as if her bird-painter husband, or one of her many lovers, has resorted to murder to hush up a scandal. The case is solved by Superintendent Rogers, on whom Judith once exercised her charms (in vain); he also has his own problems, chief of them being Bridget Hunter, Doctor of Medicine and Graduate in Morbid Pathology.

Day of Judgment, by Jack Higgins. Collins, £4.95, 224 pages

Father Sean Conklin, elderly Irish-American priest, who is the League of the Resurrection, or Christian Underground Movement in Berlin, is kidnapped by the East German State Security Service. After brainwashing by a renegade American expert in "thought reform" he is to be made to admit at a public trial that his organisation is financed by the CIA—a admission which will nullify the political effect of President Kennedy's visit to West Berlin in June 1963. So Conklin must be rescued from Schloss Neustadt on the Elbe by Simon Vaughan, ex-British Army officer who specialises in the liquidation of terrorists. The resulting action is vivid and convincing, but atmosphere and zeitgeist are less authentic.

Oriental skirmishing

BY ROBIN LANE FOX

Edward W. Lane by Lella Ahmed. Longman, £9.75, 215 pages.

Orientalism by Edward W. Said. Routledge, £8.95, 368 pages

The West's general view of Islam is still myopic. Our ancestors thought Muhammad was an epileptic. Islam a sort of misunderstood Christianity and the Koran, said Carlyle, "unreadable masses of lumber." We are no better, as these two books bring out. All around us, the rising in Iran has flushed out attitudes and reporting of a shockingly unhistorical nature. The summit of much historical work on the Muslim East has remained, incredibly, to "explain" why it did not have an Industrial Revolution.

Muslim leaders do not just stand for "nothing" nor as obstructors of a "modernising regime, no worse than most regimes in Africa," the final insult. Against the State, they have stood up for decency, tradition and the ideals of a religious community. May be Islam can only exert influence as an opposition. But that is no mean role.

Lella Ahmed's slim but pleasant book, Edward Lane: Study of his life and work and

of British ideas of the Middle East in the 19th Century, published here with Libraire du Liban, sticks to the Kinglake, Burtons, and Edward Lane himself. She sets up Lane as the first socially-scientific observer of Egypt who went partly native and began from a scholarly base. Correct in her claims for his Modern Egyptians of 1836, she is, by-passed by Mr. Said. Correctly, too, she harps on Lane's misleading tone of objectivity, among all those brackets and faceless footnotes. Mr. Said is an admired American literary critic who is highly esteemed by the Universities. Lane's great Arabic dictionary does not deceive him. He centres on the critic's conventional truth, that historians put themselves into their books, even when they claim to be "scientific."

Lane, in a lesser way, joins his gallery of professional Islamic scholars who have, most interestingly, disliked Islam. Said's book is pretentious but lively. He scores the usual fair points against Orientalists' views of the East since the 18th century. He adds new examples and shows up once again, the critic's conventional truth, the "Orientalist" mind. He links his theme quite well, from travellers through "scientific" philologists to diplomatic spies and

modern academics. Those two modern king-pins, H. A. R. Gibb and Louis Massignon, have had shrewd enough obituaries for Mr. Said to end on a bold note. His book is fast-moving. It is also quite rude. The approach can rebound.

Throughout, there is a foxed smell of literary skirmishing. For Said, Orientalism, even nowadays, is dated and defined by titles in publishers' lists. Many dead horses are flogged unawares. Some lively old ones, less harnessed are missed out. On any view, Renan is of central importance. He figures here as the scholar of a monolithic "Semitic" philology with a sharp anti-Semitic bias. The major challenge of his astonishing book on the philosopher Averroes, a seminal conception, is not even mentioned.

Nor, explicitly, is German scholarship. One suspects that for Said, it has not been sufficiently translated. Yet how can a man write so confidently about "Orientalism" without taking notice, say, of Ignaz Goldziher, a rejected Hungarian Jew who remains the subject's genius? His masterpieces made mistakes. All masterpieces do. But these are still the best way in to Islamic history. They have shaped this century's awareness in France and Britain. Said hits

out, instead, against the turquidity of lesser men and lesser Cambridge historians. He is blasting at dummies. Unreadable dull books are simply not read. Who cares about von Grunebaum?

Modern Islamic scholars are hard done by: no art, no Grabar, no archaeology, no Monneret de Villard, no epigraphy, no Sam Stern. More importantly, so are the texts, from which we derive our only view of earlier Islam. Mr. Said tells us often what Islam is not. He does not say what it is. The "medieval" age from 800-950 he believes to be brilliant. Why? He scoffs at texts, Islam, he says, is "about people." Much of his book, however, is about bibliography. The basic viewpoint, a first-hand awareness of surviving Islamic sources, is not in evidence. Anecdotal and elaborate, they obstruct me in any bid to grasp Islamic history far more seriously. I believe, than my own prejudices. Combative and superficial, Said drops names. He attacks straw-men. He sticks to two, perhaps three, languages. The result is vigorous. Its main themes are old truths. It will no doubt increase the author's stature in American circles. It is a revealing fact. But that, too, is a revelation.

On the murder trail

BY JOHN FALDING

The Capture of the Black Panther by Harry Hawkes. Harrap, £5.95, 271 pages

It was the most extensive and expensive manhunt to have been mounted in Britain. It involved every police force, including Scotland Yard and the Regional Crime Squads, at a probable cost of £2m.

Yet at no time were police even remotely near discovering the identity of the "Black Panther" responsible for a trail of serious crime throughout the North and Midlands unequalled by any other lone criminal.

He had committed a score of armed burglaries on sub-post

offices, murdered three sub-postmasters, kidnapped and killed the 17-year-old Staffordshire heiress Lesley Whittle and caused the death of a container depot security guard who disturbed him checking the ransom trail.

He would probably have still been pursuing his one-man crime wave but for a routine check by two Nottinghamshire constables and for their bravery in overpowering him after he hijacked their panda car. The police can hardly be blamed. The man they were up against, Donald Neilson, Bradford joiner (failed), had a chillingly brilliant criminal mind and was as obsessed by

planning and detail as he was by physical fitness and military techniques. He waged war on society with all the skill and determination of the SAS regiments he so admired.

Mr. Hawkes, a respected crime reporter, reveals the intensity and thoroughness of the police investigation—and the frustrations as it all proved futile.

He also reveals instances of disturbing incompetence. After the shooting of the security guard, Neilson abandoned his car, stuffed with clues, only 250 yards away. It was not examined until eight days later, and then only after a passer-by reported it.

Then there was the blunder of the Kidderminster phone boxes where Neilson sought to make contact with the Whittle family. News of the kidnapping had leaked out and police withdrew from the boxes, assuming the kidnapper would be aware of the reports. Neilson made his

call and there was no one there to take it.

A further disquieting aspect revealed by the book is the rivalry and lack of liaison and co-operation between some of the police forces. Mr. Hawkes's argument for a supreme to run major inquiries, which cross several force boundaries, is strongly supported in a foreword by Leonard (Nipper) Read, head of the Regional Crime Squad network at the time.

Neilson always claimed he was innocent of murdering Lesley Whittle and appealed unsuccessfully against this conviction. Mr. Hawkes is convincing in his theory that Lesley was alive when Neilson fled from the drainage shaft at Kidsgrove, Staffordshire, believing police were closing in and that they would free her from the wire tether round her neck. Was she trying to free herself when she slipped off a ledge and died of shock?

Piece of Resistance

Tears of Glory: The Betrayal of Vercors 1944 by Michael Pearson. Macmillan, £4.95, 254 pages

The Vercors massif, its walls thousands of feet high, dominates the plain of the Rhone and Isere rivers like some natural citadel. It was to become the scene of the most famous drama of the French Resistance.

Two days after D-Day, thousands of Frenchmen rallied there, to gain control of the passes and attack the Germans from the rear. With the outlawed Tricolor fluttering in full view of the German HQ at

Grenoble, Vercors was declared a free sovereign territory. But the expected air support from De Gaulle's Force C never materialised. When the Germans massed their greatest force ever deployed against the Resistance, the climax was inevitable. First came the long battle, then the German vengeance.

Vercors has become a subject of controversy, accusation and counter-accusation. It has passed into legend. In practical terms, it tied up 20,000 Germans who were prevented from joining the battle of Normandy. A story that deserves to be better known.

JOHN DUNSTAN

Advertisement for Peter Ostinor's book 'Dear Me'. Includes a portrait of Peter Ostinor and the text: 'They say it's witty, warm and gloriously funny... and it's my life! Dear Me Peter Ostinor £1.25 in Penguin'.

Advertisement for Multiple Sclerosis Society. Text: 'INVEST IN 50,000 BETTER TOMORROWS! 50,000 people in the United Kingdom suffer from progressively paralyzing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown. HELP US BRING THEM RELIEF AND HOPE. We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH. Please help—send a donation today to: Room F.1, The Multiple Sclerosis Society of G.B. and N.E., 4 Tachbrook Street, London SW1 1SJ.'

ARTS

Take it from there

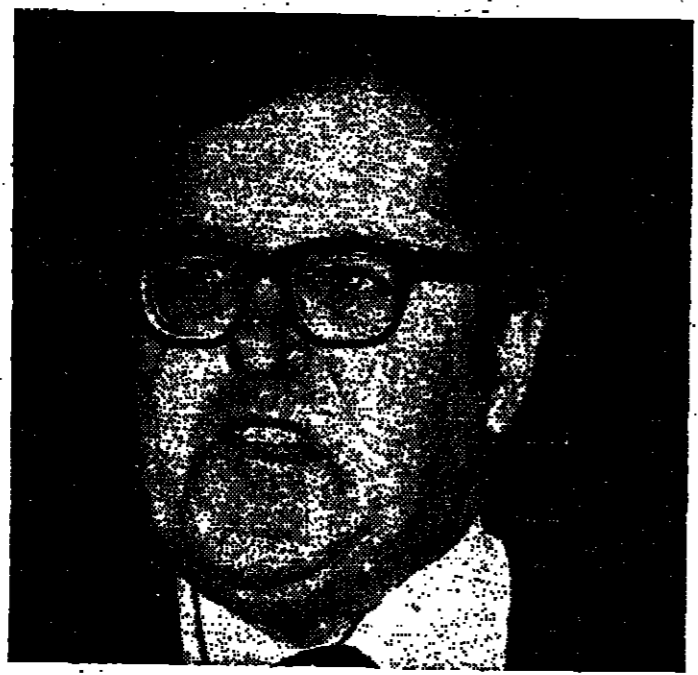
BY CHRIS DUNKLEY

Sound and Vision: The History Of Broadcasting In The United Kingdom, Vol. IV, by Asa Briggs. £25.00, 1,082 pages.

The nostalgia induced by the fourth volume of Asa Briggs' history of British broadcasting is of a poignancy which is almost embarrassing—after all, the period under review is very recent: 1945 to 1955. Yet reading now about the events, the people, and especially the attitudes of those years, it is impossible to suppress the feeling that despite being the aftermath of the war, that decade was also the last in an age of innocence.

All the events in this huge book occurred before Suez and Hungary, before Elvis and Look, before the "situation comedy" and Private Eye. William Haley, BBC director-general from 1944 to 1952, seems to have been as much if not more of a Reithian than Reith himself, who had left in 1938. Explaining to the BBC's General Advisory Council in 1947 the introduction of Light, Home and Third Programmes, Haley described it as an attempt "to lead the listener on to more serious things," to move him "up the cultural scale." Maybe in a few years, he said, "the Light Programme will be where the Home Service is now, and the Home will have passed on to other standards."

He saw the BBC's job as "the slow but rewarding process of raising public taste." How remote that characteristic assurance seems in these demotic days of Blankety Blank. The quotations which convey the mood so vividly are taken by Briggs from a variety of sources, but mostly from the BBC's own store of documents. Because the BBC is a bureaucracy which has lived by the memo (and may yet perish by it) there is, seemingly, a vast written detritus through which Briggs has worked, like an assiduous archaeologist with a little trowel. Judging from the number of minutes, reports and notes which are left in footnotes after the sifting and sifting, the surprise is not that this fourth volume has taken so long, but that one man ever managed it at all. Yet the result, for all its weight of documentary references, is highly readable.



Asa Briggs

However, it is not "The History Of Broadcasting In The United Kingdom." It is, rather, a fond account of the administration of the BBC, which is not at all the same thing. On the BBC's finances, engineering, audience measurement, administrative coups and failures one could not reasonably ask for more. There is an exhaustive account of the Beveridge Committee, even though Briggs remarks quite rightly that its results were negligible compared to the results of social and political changes. There are valuable sections on overseas broadcasting policy and the cold war, on Eurovision, and on the debate about broadcasting and General Elections.

This last topic is one of the few where a hint of the BBC's imperfection creeps in: it is made clear that it was the BBC itself and not the political parties which sterilised political broadcasting at the end of the War. Other questionable BBC corporate characteristics, particularly the over-sensitivity to signals from Westminster and Whitehall, are allowed to slide by without too much embarrassing detail, as in the cases of a ban on a Val Gielgud play, the stopping of Charles Hill's Radio Doctor series, and the campaign

against Michael Foot's part in In The News.

The account of the battle for commercial television adds little if anything to Peter Black's excellent 1972 book, The Mirror In The Corner.

The important criticism, however, is that all this is anyway a little like describing Hamlet in terms of the scene-shifting: what of the prince himself, what of the actual programmes and the broadcasters? The period in question spans one of the greatest periods of radio, the birth of post-war BBC television and the opening of ITV. On radio these were the years of The Brains Trust, Take It From Here and Mrs. Dale's Diary. Television was stealing audiences with Animal, Vegetable, Mineral! Myths The Mule and Course Of Justice. Each of these programmes (except the last) is mentioned, but anyone interested in broadcasting rather than constitutional history will find the space devoted to them astonishingly small.

Much the same bizarre disparity exists in the treatment of administrators and broadcasters: the roles of Haley, Cecil McGivern, George Barnes, and so on are thoroughly explored, but it is no use looking here for more than passing reference to Raymond Glendinning, Alvar Lidell, or Stuart Hibberd.

Can anyone be really satisfied with a book of 1,082 pages on The History Of Broadcasting In The United Kingdom from 1945-1955 which deals with Dylan Thomas and all his work including Under Milk Wood, in 1955?

When Big Brother is the paymaster

BY ARTHUR SANDLES

IF Mr. Ian Trethowan, director general of the BBC, has nightmares then this one must be high on his list. Imagine a BBC weakened by financial problems and encouraged by government into heavy borrowing. Imagine that its audience ratings are suffering and that the critics are giving it a mauling. More and more programmes are being imported. Then, in a new round of the now annual licence fee negotiations, the government overrules a Commons motion, proposed by the Liberals, to give the BBC a substantial cash reviver. Instead it again offers less than a cost of living increase.

It emerges that No. 10 has done this because the incumbent was anxious about some programmes. In an angry reaction two-thirds of the BBC governors resign and are replaced by people sympathetic to the government. In a remarkably short time most of the offending programmes are off the air.

Just a nightmare? Impossible in a democratic country? Well, not quite. Precisely this drama took place in the summer of 1972 and involved America's Public Broadcasting System when President Nixon vetoed the new much increased budget for the Corporation for Public Broadcasting already approved by Congress. He then appointed or re-appointed 11 of the 15 members of the CPB Board. All that in a society which practices considerably more open government than is the case in the UK. No wonder the BBC grows nervous at suggestions of replacing the licence fee with a central government grant.

Details of the Nixon move, and the crippled condition of America's PBS ever since, are given in the second report of the Carnegie Commission on the Future of Public Broadcasting (published in the U.S. by Bantam Books under the title A Public Trust). It was the first Carnegie report which led to the formalisation of PBS in America and this second report, if similarly endorsed, would give PBS an annual budget of \$600m by the mid-80s and create in the U.S. a serious rival to the BBC in international status. It would be foolish to draw too many comparisons with the UK. In Britain the output of commercial television, with the notable exception of light entertainment, is immeasurably superior to that of the U.S. commercial channels. For that reason Britain does not face the small screen cultural desert that

is presented to the average American viewer. Given greater funds America's PBS might well try to do a history of life on earth in the same manner as the BBC's current efforts. But the major commercial channels would never schedule anything like Thames's Botanic Man in prime time week after week as ITV did in the UK. This relative strength of ITV is not of course necessarily good news for the BBC. In the U.S. it is the paucity of thinking television that is encouraging the drive towards a strong non-commercial fourth network. In Britain such pressure is weaker.

When the BBC was briefly off the air a few weeks ago there was no cry of cultural starvation. The gap between ITV and BBC is not comparable with that between the News of the World and the Sunday Times. Thus it may be possible to undermine the BBC financially for a very long time before anyone really notices. That undermining already has made considerable progress.

All this explains why the BBC's search for practical ways of sustaining the licence fee system has become increasingly frantic. The Corporation is desperate to find some way of getting Westminster off the political hook, for it is obvious that no government is going to give the sort of financial support to the BBC in present circumstances that would allow it the luxury of extensive experimentation and the removal of the current abundance of imported material.

Mr. Trethowan has appealed to staff for ideas that would separate the BBC from what has become an annual round of budget negotiations. Indexation is an obvious, if politically unpalatable, solution to the funding problem. But it does not remove the obstacle of the annual licence demand. The BBC may say that it is among the lowest fees in Europe but then Britain is one of the poorest countries in Europe. Any change in the collection system is likely to be further confused by the justifiable demand that the change should somehow be linked to finding a way round the problem of some sectors of the population's ability to pay. Any such system would complicate the fee position and add considerably to collection costs.

The Carnegie report urges that America's PBS set 20% of its budget from government, viewers, licensees and the



Mrs. Bridges and Emily downstairs in Upstairs Downstairs, LWT's very successful series which in America was shown on Public Service Television after pressure from commercial television interests.

business community, and that more funds be generated by making the commercial channels pay a fee for their use of frequencies. In Britain any appeal to public or corporate generosity as a replacement for compulsory payment would seem destined to fall flat on its face. To seek £100m a year in the UK by such means would be laughable. There may be a stronger case for diverting the present ITV advertising levy to the BBC although you would then be on a path towards robbing the future fourth channel of its cash source. There is one aspect of BBC revenue which is subject to the direct attack by the proposals of the Carnegie report.

To quote: "Because the present public television system has a relatively small amount of discretionary funds for the development and production of new programming it is often easier, cheaper, and less risky to acquire programmes produced by other broadcasters, particularly those in Great Britain. While the volume of British programmes shown in the U.S. represents the cream of that country's commercial and non-commercial output, the effect on American viewers is the impression that public television prefers actors and commentators with British accents."

"The problem is certainly one of public perception—such programmes give rise to accusation of elitism and anglophilia. For the professionals involved in the U.S. domestic production industry the problem is more serious. The vast resources of the American television are presently under used. Except

at the very pinnacle of the field, unemployment is rampant. When they do get work, writers, producers, and directors, as well as the other talent they hire, are forced by commercial television into predictable and often debased formula series. In public broadcasting, creative energies are sapped in a confusing and time-consuming search for financing."

The following comment further emphasises the danger of British reliance on the American market being eager to carry on importing programmes: "Excessive reliance on imported programming is primarily the result of the present system's inadequate funding base. To acquire a programme already produced overseas is less costly than to produce it here. With substantial new funds... the public broadcasting system should be able to increase its commitment to American talent."

The BBC and ITV have been looking to the U.S. increasingly over the years as a source of revenue. The Ascent of Man, Monty Python and ITV's Upstairs Downstairs have all done well in the American market. There is a strong suspicion that the present Shakespeare series on the BBC could not have been considered without the injection of £1.5m of American money. But the U.S. seems intent on eliminating this artistic colonialism just as the British have been attempting to exclude similar invasions at the other end of the cultural scale.

The BBC's ability and willingness to accept commercial support outside the UK contrasts with its attitude within its own national borders. If say U.S.

Shell, paid \$2m for a prestige drama series from the BBC this would be acceptable, although it would be not wrapped as a Time-Life/BBC co-production, since Time-Life Inc. is the BBC's U.S. agent. But if British Shell offered BBC 2 £1m for a similar task it would not be taken up on the offer, which at first glance may seem something of a pity.

Britain's fourth channel may be allowed such indulgence, if it is set up in the form of the Annan committee was keen to see Sponsorship in this form is not always bad. To quote evidence given to the Carnegie commission on the subject by Mr. Herbert Schmeitz of the Mobil Corporation: "Question: You said that Mobil feels a responsibility for the content of the programme it supports. How is that different from interference?"

"Answer: We think we have a contribution to make in the area of programme selection. We have always made recommendations concerning programmes and public television is free to accept them or not as they see fit. I'll tell you one story for example. When Upstairs Downstairs first became available... the entire public television establishment was opposed to its acquisition. We were just as adamantly in favour of it, and we said, if you're not going to acquire it, we are going to acquire it anyway and find some way to run it on American television whether it's commercial or public. At that point public television said they would take it. I think the upshot of that is that our judgment was correct."

No collector of English Silver Coins can afford to miss Spink's Coin Auctions at Quaglino's, February 21st and 22nd. Featuring the Collection of English Milled Silver Coins formed by The Rt. Hon. Lord Hamilton of Dalzell, M.C. and the Collection of English Silver Crowns formed by Pastor J.F. Rowlands of Durban, South Africa. Fully illustrated catalogues available on request from the Auction Department, price £2.50 each.

Phillips principal saleroom at 7 Bleanheim St., New Bond St., London W1Y 0AS. Tel: 629 6602. Monday, 12 February, 11 a.m. ANTIQUE DECORATIVE FURNITURE, WORKS OF ART, CARPETS. Cat. 37p. Tuesday, 13 February, 11 a.m. ENGLISH & CONTINENTAL FURNITURE, WORKS OF ART, CARPETS. Cat. 37p. Wednesday, 14 February, 11 a.m. CHINESE & JAPANESE CERAMICS & WORKS OF ART. Cat. 37p. Thursday, 15 February, 10 a.m. FURS. View Tuesday prior 10 a.m.-7 p.m.; Wednesday 10 a.m.-4.30 p.m. Cat. 37p. Friday, 16 February, 11 a.m. ANTIQUE & MODERN SILVER & OLD SHEFFIELD PLATE. Ill. Cat. £1.20. Monday, 19 February, 11 a.m. ANTIQUE DECORATIVE FURNITURE, WORKS OF ART, CARPETS. Cat. 37p. Monday, 19 February, 11 a.m. WATERCOLOURS. Cat. 37p. Monday, 19 February, 2 p.m. OIL PAINTINGS. Cat. 37p. Tuesday, 20 February, 11 a.m. ENGLISH & CONTINENTAL FURNITURE, WORKS OF ART, CARPETS. Cat. 37p. Tuesday, 20 February, 1.30 p.m. FINE ISWELS. Ill. Cat. £1.20. PHILLIPS WEST 2 Thursday 15 February, 10 a.m. FURNITURE & OBJECTS. View Wednesday 9-7 p.m. Cat. 37p. PHILLIPS MARYLEBONE Wednesday, 14 February 12 noon LEAD SOLDIERS. Cat. 37p. View Tuesday 9-4.30 and morning of sale until 11 a.m. Friday, 16 February, 10 a.m. FURNITURE & OBJECTS. View Thursday 9-4 a.m. Cat. 37p. Cat. prices include postage.

CHRISTIE'S 8 King Street, St James's, London SW1Y 6QT. Tel: 01-839 9060. Telegrams CHRISTIART. Experience and Expertise... 366. George III gold cup and cover, by Thomas Pitts, 1764. Sale, Wednesday, February 21.

01-930 9731 Offices To Let. EC2 7,000 sq.ft. WC2 6,000 sq.ft. SE1 4,300 sq.ft. WC1 925 sq.ft. W1 320 sq.ft. Clients' requirements Offices Victoria 3,500-4,000 sq.ft. W1 1,000-1,200 sq.ft. Showrooms WC1, WC2 2,000-3,000 sq.ft. Mayfair/St. James's self-contained office building approx. 5,000 sq.ft. leasehold. DRIVERS JONAS 18 Pall Mall, London SW1Y 5NF

Islamic Sales at Phillips. Items are now being accepted for inclusion in sales of Islamic works of art on Wednesday 25th April and Thursday 26th April. For further information concerning these sales please contact Vanessa Clewes on 01-629 6602. Phillips the International Auction People. Founded 1796. 7 Bleanheim St., New Bond St., London W1Y 0AS Tel: 01-629 6602. Members of the Society of Fine Arts Auctioneers. SUPERB WEBBER HAND-MADE SOLID OAK PERIOD DINING ROOM SUITE. Consisting of 9 ft by 3 ft table with 12 hick backed chairs, hand-carved sideboard and serving table, ideal for prestige board/dinner room. Offers considered in region £4750. For viewing arrangements Telephone: 01-660 9729

Spencers OF RETFORD. A late Victorian tea service 1899. To be sold on March 1st. FORTHCOMING SALES RETFORD SALEROOMS. WEDNESDAY, 14TH FEBRUARY. Victorian and later furniture and works of art. THURSDAY, 15TH FEBRUARY. European ceramics and glass, including a pair of Sevres ormolu mounted vases; a Bloor Derby par dinner service. THURSDAY, 22ND FEBRUARY. Oil paintings, watercolour drawings and prints. WEDNESDAY, 28TH FEBRUARY. Georgian and later furniture and works of art; clocks, antique and modern weapons. THURSDAY, 1ST MARCH. Georgian and later silver; Sheffield and other plates; jewels including a good Victorian four-piece tea service; a George III coffee biggin. THURSDAY, 8TH MARCH. Printed books. Catalogues 65p each by post (applications to be prepaid). HENRY SPENCER AND SONS LIMITED, 20, The Square, Retford, Nottinghamshire. Telephone: (0777) 706767

CHRISTIE'S 8 King Street, St James's, London SW1Y 6QT. Tel: 01-839 9060. Telegrams CHRISTIART. Experience and Expertise... 366. George III gold cup and cover, by Thomas Pitts, 1764. Sale, Wednesday, February 21. Edward, 5th Baron Leigh of Stoneleigh was a generous man as evidenced by his gift in 1785 of a cup "of massy gold" William Lord Craven one of his Lordships guardians and trustees. Lord Leigh was born in 1742 and through the maternal side was Lord Craven's nephew. Not content with this singular donation, he gave in the same year a parallel gold cup engraved with a similar inscription to Sir Walter Bagot, consecutively M.P. for Newcastle-under-Lyme, Stafford County, and the University of Oxford. The former example is the largest surviving 18th Century English gold cup, being 15 inches in height, and is a fine example from the small corpus of English gold plate which numbers less than 100 pieces. It is included in Christie's sale of Fine English Silver and Gold on Wednesday, February 21. For further information on this sale, please contact Tom Milnes Gaskell or Tim Schroder at the above address.

ART GALLERIES. AGNEW GALLERY, 45 Old Bond St., W.1. 01-629 6178. 105th ANNUAL WATER-COLOUR EXHIBITION. Until 25 February. Mon-Fri. 9.30-5.30. Thurs. until 7. BLOOD FINE ART, 33, Exmouth St., W.1. 1852-1950. Oil Paintings and works on paper. Until 10 March. Wednesdays 10-12.15. BROWSE & DAREY, 19, Cork St., W.1. Phillips Auction-Recent Paintings. CRANE KALMAN GALLERY, 179, Brampston Road, S.W.1. 01-524 7556. 12th CENTURY ENGLISH AND EUROPEAN PAINTINGS AND SCULPTURES including works by Duff, Grog, Hensworth, Miró, Moore, Rembrandt, etc. Until 20 February. Mon-Fri. 10-6. Sat. 10-4. FIELDBORNE GALLERIES, 8, Queens Gate, S.W.1. 01-235 3500. CONTEMPORARY BRITISH ART. Mon-Fri. 10-6. Sat. 12.30-5.15. FINE ART SOCIETY, 100, New Bond St., W.1. 01-235 5116. BRITISH ARTS 18th 20th Century. FISHER FINE ART, 20, King St., St. James's, W.1. 01-239 3542. Recent works by JACOB RODIN, J. M. W. Turner and JEREMY SMITH. Until 10-12.30. Mon-Fri. 10-5.30. Sat. 10-12.30. FRENCH INSTITUTE, Queensberry Place, Portico, 2, St. James's Square, W.1. 01-235 1000. Home 10.15. 10.15 to 6.0. ADMIRALTY TRAE. GILBERT-PARR GALLERY, 285 Kings Road, Chelsea, SW3. ANTONIO MARI 1965-66 drawings of Spain. LEE BREWS-Lyrical Studies in Colour-Gil Brews. Until 3 March. Open Tues-Sat. 9.30-5.30 and Thursday until 7.30 pm. MALL GALLERIES, The Mall, S.W.1. Paintings by Silvia Tormea. Mon-Fri. 10-6. Sat. 10-1. Until 17 February. Adm. Free. MALLBROOK, 5, Alderman St., W.1. TOM PHILLIPS Paintings, Watercolours and Drawings. Mon-Fri. 10-5.30. Sat. 10-12.30. OWELL GALLERIES, 40, Alderman Street, PICCADILLY, W.1. Now Selection of FINE MODERN FRENCH PAINTINGS including BLANCHARD, DESCHAMPS, GRISOT, LEVÉ, JACOB RODIN, etc. one fine Modern BRITISH MARINE PAINTINGS and WATERCOLOURS. REDFERN GALLERY, DAVID EVANS Watercolours 1978. January 30th. February 28th. 29, Cork Street, London W.1. Mon-Fri. 10-5.30. Sat. 10-12.30. ROYAL VICTORIA and FRANCIS HAYDON Paintings & Drawings. St. James's, S.W.1. Telephone: 01-830 1900. CLUBS. EVE, 189, Regent Street, 734 0557. A la Carte or All-in Menu. Three Spectacular Shows 10.45, 11.45 and 12.45 and music of Johnny Hawksworth & Friends.





COLLECTING

"The Ralph Wood model, on the contrary, is notably realistic in form, and looks very much like the work of someone who had actually seen an elephant."

Elephants in the china shop

BY JANET MARSH

SOTHEBY'S have a good sale of English ceramics next Tuesday, but for sheer charm all else is eclipsed by the elephant illustrated here. He was modelled by Staffordshire potter of the Ralph Wood school somewhere in the 1770s.



Lot 27, 13th February 1979, est. £800-£1,200. A rare and attractive Ralph Wood 'Elephant Spill Vase', 8 inches; about 1770-80.

The English have always had a special affection for elephants, and for potters the animal has the added attraction of stout legs particularly well suited for modelling in clay.

It is very unlikely that the Whitehead potter could ever have set eyes on an actual elephant, and his animal, with its somewhat mole-like appearance and large paw feet, was clearly inspired by some not very reliable seventeenth century bestiary.

The earliest elephant immigrant to these shores that I have been able to identify with certainty, however, is the celebrated Chumoo, who was first exhibited in 1809 at the menagerie in Exeter 'Change, in the Strand.

Unhappily, after retiring from the stage, Chumoo became unpredictable in his moods, and in 1826 it was deemed prudent to destroy him. This was only effected after a file of soldiery had fired more than 150 bullets

into him, under the gaze of a fashionable assembly who had come to marvel at the spectacle.

His skeleton was sold to the Royal College of Surgeons for £100.

I have failed to find any ceramic tribute to Chumoo, but there is a Victorian Staffordshire group to commemorate a thespian successor, known only as the Royal Elephant of Siam. This animal starred in a play of the same title, written expressly for him and performed at the Adelphi in 1829.

Afterwards he toured the provinces, thrilling audiences with "his passage over the rocky heights, in which he showed his incredible agility—his providential detection of a conspiracy—his demolishing the walls of the prison, and contrivance for the escape of the rightful prince and his followers, by substituting himself instead of a scaling ladder, by-

means of which the Prince and party escape from the usurper of the throne of Siam." "His Dance after supper," the commentator ended, "is the most surprising as well as the most ludicrous piece of Elephantine mimicry ever known to be attempted by such an unwieldy creature."

Still more celebrated than this gifted creature, however, was Jumbo, who bequeathed his name to the English language as an epithet for anything of great size, from jet aircraft to hamburgers. Jumbo was the first African elephant to reach England and was proudly acquired by the Zoological Society of London, by exchange with the Jardin des Plantes, Paris, in 1865.

Jumbo himself won even greater popularity by his personal refusal to co-operate in being shipped. For six weeks he refused to budge or to get into the crate designed for his journey. On one Monday alone 25,000 people visited the Zoo, just for a final glimpse of their loyal favourite. The ultimate and inevitable departure was a signal for national mourning, inspiring popular ballads and such literary pieces as "Jumbo's Farewell".

The wife and friends I left behind. And oh to crown my sorrows quick The waves arose and made me

Barnum paraded Jumbo, up Madison Avenue, and within a fortnight saw a profit on his investment. Jumbo's American career was brief. In 1885 he was killed in an altercation with a locomotive at St. Thomas, Ontario.

The monumental Staffordshire figure of Jumbo—which when found can now command a very substantial price—was not quite the last homage of the Staffordshire potters to pachyderm celebrities. Elephant fanciers should also look out for a novelty teapot created in 1887 in the form of the elephant Kala Nag and his rider Sabu, the stars of Robert Flaherty's film Elephant Boy.

thousands of excited little passengers.

By 1882, however, Jumbo's temper had worsened; and the Zoological Society were quite relieved to accept an offer for him from Phineas T. Barnum, the great American showman.

At Jumbo's farewell luncheon, the Zoo Superintendent blandly stated that "No one liked the elephant more than he did. He was an extraordinary good-natured beast, and while he had many friends he had not an enemy in the world." Such flattery proved unwise, since it was believed by the public, who raised a furious outcry, while a fellow-member of the Society attempted unsuccessfully to get an injunction to prevent the sale.

Jumbo himself won even greater popularity by his personal refusal to co-operate in being shipped. For six weeks he refused to budge or to get into the crate designed for his journey. On one Monday alone 25,000 people visited the Zoo, just for a final glimpse of their loyal favourite. The ultimate and inevitable departure was a signal for national mourning, inspiring popular ballads and such literary pieces as "Jumbo's Farewell".

The wife and friends I left behind. And oh to crown my sorrows quick The waves arose and made me

Barnum paraded Jumbo, up Madison Avenue, and within a fortnight saw a profit on his investment. Jumbo's American career was brief. In 1885 he was killed in an altercation with a locomotive at St. Thomas, Ontario.

The monumental Staffordshire figure of Jumbo—which when found can now command a very substantial price—was not quite the last homage of the Staffordshire potters to pachyderm celebrities. Elephant fanciers should also look out for a novelty teapot created in 1887 in the form of the elephant Kala Nag and his rider Sabu, the stars of Robert Flaherty's film Elephant Boy.

CHESS

LEONARD BARDEN

THE AWARD of a brilliancy or best game prize always enhances the status of a chess event. It is a matter of taste whether a dazzling sacrifice, king hunts, and free open play, is preferred to a best game, implying the iron consistency of a Botvinnik and the technical perfection of a Capablanca.

The pair of games this week show how difficult it is to compare the quality of a best game and a brilliancy. The first is from last year's Guernsey festival and the second from the United States Open championship. Both received a top award.

Which game is more satisfactory? Davis v Bisguier contains spectacular play, with a knight sacrifice on White's 14th and a dramatic bishop sacrifice on move 20.

With the South cards bid three diamonds West doubled, North passed trustfully—he knew I had heard his bid of two spades—and East passed unthinkingly.

West led the heart King, and switched at once to Ace and another diamond, but the damage had been done. Winning East Queen of diamonds in hand, I drew the last trump and returned my ten of hearts to set up the Queen on the table. West won, and switched to the three of clubs, but I was able to get home with five diamonds, two spades, a heart and a club.

The heart lead involves a fatal loss of tempo, because it allows me to set up the heart Queen before my club Ace has been forced out. If West starts with Ace and another trump, she defeats the contract. I can still set up a heart trick, but not in time for it to be of any use to me.

Now for another hand from rubber bridge which goes much deeper:

Hand analysis for Bridge, showing card distributions and bidding sequences for both hands.

White: L. Davis. Black: A. Bisguier. Opening: Centre Game (U.S. Open 1978).

1 P-K4, P-K4; 2 P-Q4, P-P; 3 P-QB3, P-P; 4 NXP, P-Q8; 5 B-QB4, P-QB3; 6 N-B3, N-Q2; 7 B-K3, KN-B3 (simpler); 8 P-Q4 first to stop the white queen and bishop lining up against KB7; 9 O-O, N-N5; 10 B-Q4, Q-N4; 11 BxN, NxB; 12 NxN, PxN; 13 QR-Q1 (now the position is difficult for Black, and reminiscent of Morphy's famous opera box game. P-QN4 fails to NXP, but Black could now try P-QR3 intending P-QN4). B-K3? (provoking the sacrifice); 14 N-Q5! P-N3; 15 B-N5 ch, K-Q1 (if B-Q2); 16 R-Q1, R-Q1, RxB, RxB; 18 R-Q1, R-Q1, RxB, RxB; 19 R-Q8, B-N4; 20 B-R8, B-N4; 21 K-R1, R-N2; 22 P-R3, Q-N1; 23 N-R4, R-B2; 24 R-N3, Q-R1 (a pathetic place for the powerful queen); 25 P-B3, P-B3; 26 N-R5, R-B2; 27 R-N7, B-N1; 28 Q-B4, P-QB4; 29 Q-N5, R-Q4; 30 R-N5.

In the second game, the player of Black has no international reputation, but in fact he proved a strong contender and shared first prize at Guernsey with three others, including the game winner. But from the viewpoint of sound, positionally satisfying play, the second game has a clear edge.

Black makes no obvious error but is gradually ground down, driven back behind his pawn defences, and finally left so cramped that he cannot resist White's invasion.

In Davis v Bisguier there is an element of sui-mate, as if the grandmaster wanted to see how far he could experiment against his far weaker rival. Personally I slightly prefer the second

With North-South vulnerable, South dealt and bid one diamond, West said one heart, and North two clubs. After East had raised to two hearts, South unmasked his batteries with three spades. North raised to four spades, and South showed his powerful hand with five diamonds, but North only gave preference with five spades. Undercued, South bid six spades.

How many Wests do you know who would not lead the heart King? Yet a good defender should be able to work out that this lead is unlikely to do much good, and may be disastrous.

South has bid six spades, although he knows he may lose to the diamond King. He has almost certainly six diamonds and five spades, and it is long odds that he is void in hearts—East gave a heart raise on a hand which cannot contain many points. West's one asset is the diamond King, which is certain to make unless dummy has a singleton. If East has a trump trick, which is most unlikely, it cannot run away, but if he has the club King, it could run away on declarer's diamonds—they are pretty sure to be solid once the King is forced out.

After this constructive thinking West took his hand off the heart King, and led the nine of clubs, which was the killing lead.

Hand analysis for Bridge, showing card distributions and bidding sequences for both hands.

game because of its original feature of a positional squash on an almost full board, but many may like the brilliancy better.

White: D. Parr. Black: S. Ingemert. Opening: Pare Defence (Guernsey Open 1978).

1 P-K4, P-Q4; 2 P-Q4, N-KB3; 3 N-QB3, P-Q4; 4 N-B2, B-N2; 5 B-K2, Q-Q; 6 Q-Q, B-N3; 7 B-K3, KN-B3 (simpler); 8 QxR, P-K4; 10 P-Q4, N-K2? (after a routine opening, Black misses a good chance with 10...N-Q5!); 11 P-N3, P-B3; 12 N-N5, P-QR3 (R-K1 and N-Q2 are also possible); 13 N-Q4, N-PQR4, P-QB3; 14 P-N3, P-B3; 15 N-B4, N-E7 (Ivory may have after N-KP1); 16 N-N3, P-Q4 (Black is still in the game); 17 R-Q1, Q-N3; 18 R-Q1, N-K4; 19 R-Q8, B-N4; 20 B-R8, B-N4; 21 K-R1, R-N2; 22 P-R3, Q-N1; 23 N-R4, R-B2; 24 R-N3, Q-R1 (a pathetic place for the powerful queen); 25 P-B3, P-B3; 26 N-R5, R-B2; 27 R-N7, B-N1; 28 Q-B4, P-QB4; 29 Q-N5, R-Q4; 30 R-N5.

P-KN3; 20 BxP, B-R3 (Qx6; 21 Q-Q8 ch); 21 R-Q8, R-Q1; 22 B-R6, Resigns. An attractive finish. If R-Q8; 23 R-B3 mate, and otherwise White intends Q-N5 or N3 ch.

White: D. Parr. Black: S. Ingemert. Opening: Pare Defence (Guernsey Open 1978).

1 P-K4, P-Q4; 2 P-Q4, N-KB3; 3 N-QB3, P-Q4; 4 N-B2, B-N2; 5 B-K2, Q-Q; 6 Q-Q, B-N3; 7 B-K3, KN-B3 (simpler); 8 QxR, P-K4; 10 P-Q4, N-K2? (after a routine opening, Black misses a good chance with 10...N-Q5!); 11 P-N3, P-B3; 12 N-N5, P-QR3 (R-K1 and N-Q2 are also possible); 13 N-Q4, N-PQR4, P-QB3; 14 P-N3, P-B3; 15 N-B4, N-E7 (Ivory may have after N-KP1); 16 N-N3, P-Q4 (Black is still in the game); 17 R-Q1, Q-N3; 18 R-Q1, N-K4; 19 R-Q8, B-N4; 20 B-R8, B-N4; 21 K-R1, R-N2; 22 P-R3, Q-N1; 23 N-R4, R-B2; 24 R-N3, Q-R1 (a pathetic place for the powerful queen); 25 P-B3, P-B3; 26 N-R5, R-B2; 27 R-N7, B-N1; 28 Q-B4, P-QB4; 29 Q-N5, R-Q4; 30 R-N5.

White: D. Parr. Black: S. Ingemert. Opening: Pare Defence (Guernsey Open 1978).

White: D. Parr. Black: S. Ingemert. Opening: Pare Defence (Guernsey Open 1978).

White: D. Parr. Black: S. Ingemert. Opening: Pare Defence (Guernsey Open 1978).

White: D. Parr. Black: S. Ingemert. Opening: Pare Defence (Guernsey Open 1978).

Chessboard diagrams for two positions, labeled 'BLACK (11 men)' and 'WHITE (10 men)', with piece placements.

CONCERTS

QUEEN ELIZABETH HALL

AEOLIAN STRING QUARTET. MOZART: Quartet in G, K.387. BRITTEN: Quartet No. 2 in C, Op.36. SCHUBERT: Quartet in D minor, D.810 (Death and the Maiden).

Elgar Festival

PHILHARMONIA ENSEMBLE. ANDREW DAVIS (piano). Violin Sonata, String Quartet, Piano Quintet.

Philharmonia

PETER PEARS. OSIAN ELLIS. In a programme of English & Austrian music including works by Handel, Schubert, Britten, etc.

JOHN WILLIAMS guitar

LONDON SINFONIETTA. CITY OF LONDON CHOIR. Conductor DONALD CASHMORE. BACH MOTET: JESU MEINE FREUDE. HONEGGER: KING DAVID.

ILANA VERED piano

SCHUMANN: Kreisleriana, Op.16. BEETHOVEN: Sonata in C, Op.53 (Waldstein). BRAHMS: Variations on a theme of Paganini, Op.25 (Books I and II).

ENGLISH CHAMBER ORCHESTRA

JOSE-LUIS GARCIA director/soloist. Haydn: Symphony No. 44 in E minor 'Trauer'. Mendelssohn: Violin Concerto in D minor. Mozart: Divertimento in D, K.534.

THE TORTELIER TRIO

French chamber music. Piano trio in F, Op.18. Sonata for cello and piano. Debussy: Piano trio in A minor.

ROYAL FESTIVAL HALL

ROYAL PHILHARMONIC ORCHESTRA. Soloist: SIR CLIFFORD CURZON. Conductor: LEONARD SLATKIN.

VIENNA PHILHARMONIC ORCHESTRA

Conductor: KARL BOHM. SCHUBERT: SYMPHONY No. 2. BEETHOVEN: SYMPHONY No. 5.

ROYAL CHORAL SOCIETY

Conductor: MEREDITH DAVIES. HAYDN: THE CREATION. WENDY EATHORNE, RICHARD MORTON, MALCOLM KING.

ROYAL FESTIVAL HALL

THE 4 ORCHESTRA SERIES. ROYAL PHILHARMONIC ORCHESTRA. Mendelssohn: Overture, A Midsummer Night's Dream. Schumann: Cello Concerto.

ROYAL PHILHARMONIC ORCHESTRA

Conductor: KARL BOHM. SCHUBERT: SYMPHONY No. 2. BEETHOVEN: SYMPHONY No. 5.

ROYAL PHILHARMONIC ORCHESTRA

Conductor: KARL BOHM. SCHUBERT: SYMPHONY No. 2. BEETHOVEN: SYMPHONY No. 5.

ROYAL PHILHARMONIC ORCHESTRA

Conductor: KARL BOHM. SCHUBERT: SYMPHONY No. 2. BEETHOVEN: SYMPHONY No. 5.

ROYAL ALBERT HALL

LONDON MOZART PLAYERS. Conductor: HARRY BLECH. SYMPHONY No. 39 in E flat, K.543.

BUDAPEST SYMPHONY ORCHESTRA

Conductor: GYÖRGY LEHEL. Soloist: ANDRAS SCHIFF. Overture: Oberon. WEBER. Piano Concerto No. 24 in C minor.

WIGMORE HALL

SHOSTAKOVICH: String Quartet. RAVEL: String Quartet. RAVEL: String Quartet.

WIGMORE HALL

SHOSTAKOVICH: String Quartet. RAVEL: String Quartet. RAVEL: String Quartet.

WIGMORE HALL

SHOSTAKOVICH: String Quartet. RAVEL: String Quartet. RAVEL: String Quartet.

WIGMORE HALL

SHOSTAKOVICH: String Quartet. RAVEL: String Quartet. RAVEL: String Quartet.

WIGMORE HALL

SHOSTAKOVICH: String Quartet. RAVEL: String Quartet. RAVEL: String Quartet.

WIGMORE HALL

SHOSTAKOVICH: String Quartet. RAVEL: String Quartet. RAVEL: String Quartet.

ROYAL ALBERT HALL

GILBERT & SULLIVAN. LONDON CONCERT ORCHESTRA. Conductor: MARCUS DODS.

LONDON SYMPHONY ORCHESTRA

HAROLD FARBERMAN conductor. JOHN LILL piano. Thieving Magpie Overture. BEETHOVEN: Piano Concerto No. 5 'Emperor'.

ST. JOHN'S, SMITH SQUARE

ORCHESTRA OF ST. JOHN'S. Conductor: JOHN LUBBOCK. DAME JANET BAKER.

ST. JOHN'S, SMITH SQUARE

LONDON MOZART PLAYERS. Lancaster University Singers.

ST. JOHN'S, SMITH SQUARE

OPERATIK SHAKESPEARE. Music for 'The Tempest' by Matthew Locke and John Weldon.

ST. JOHN'S, SMITH SQUARE

ARS NOVA & CORO CAPELLA. Judith Nelson soprano. David Thomas bass.

CECIL SHARP HOUSE

MOUNIR BASHIR. Oud (Arabic Lute). Improvisations and reflections: classical Arabic music.

CAMDEN FESTIVAL

MARCH 17-31. POSTAL BOOKING opens MONDAY FEBRUARY 13.

Saturday February 10 1979

# Back into the trenches

THE Prime Minister looked understandably dispirited in his television appearance on Thursday night, but his firm words on fiscal policy and public sector pay helped to restore some confidence to the financial markets yesterday. The first reaction to the rise in Minimum Lending Rate—which was not in itself a very firm gesture—was somewhat muted, but the follow-through was firmer. Some £400m of funding has been achieved, and the latest figures for public sector borrowing encourage hopes that spending has remained well under control. The growth of domestic credit, at least, can be contained.

### These realities

However, these purely financial criteria, which were so crucial in our last national crisis in 1976, are no longer a reliable guide to progress against inflation. Excessive wage settlements, if they become the norm, must face any Government with a dilemma. A completely unyielding monetary policy, in face of a steep rise in costs, could threaten widespread bankruptcies; in other words, in a sufficiently inflationary cost climate, the protection of a stable currency may become near-impossible.

There are two ways to reduce this danger: to stand up to excessive wage claims wherever possible; and to reduce the public sector's demand for the limited available credit. In other words, the present situation means confrontation and a tough Budget. The Prime Minister may be beleaguered, but he appears to understand these realities.

### Excessive

Indeed, the present reliance on monetary policy is already dangerously excessive. Interest rates on a base of 14 per cent are far more burdensome now than they were two years ago, because the prospective rate of inflation, even on gloomy forecasts, is much lower. A manufacturer or trader can no longer rely on recovering the cost of financing his stocks out of rising prices, and the finances of productive investment are even more questionable. The monetary squeeze may, therefore, prove far more depressing to growth than it was last time, unless financial pressure can quickly be relieved.

The reason for this dilemma is, ironically, the one piece of good news which has survived recent weeks: the pound remains strong in international currency markets. This has as much to do with North Sea oil as with monetary control; indeed at present high interest rates are attracting considerable flows of funds from overseas as well as

checking the rate of price increases.

The result is that high interest rates will only be partially effective in checking the growth of the money supply; that can now only be achieved not by restricting the supply of domestically created credit, but by reducing the demand—in other words, by cutting the Government's own demands. Historically, British governments have been driven to tough Budgets because the need for a tough Budget is dictated partly by the fact that the currency has remained strong. The logic of a sound currency is driving the Government towards sound policies—policies which will not throw the whole burden of fighting inflation on to the private sector.

### Three ways

Merely reducing public sector borrowing is, however, only a part of the fiscal answer. This can be done in three ways: through higher taxes on incomes, higher taxes on spending, or through reduced public spending. All produce somewhat similar results in financial accounting terms, but their economic impact is very different.

The Government, which talks of a tough Budget in punitive terms, may be thinking in terms of taxes on income, to "punish" those who are causing the problem. This is far the worst answer, and is likelier to provoke than to discourage the militants who have proved their strength. Higher taxes on spending are somewhat less damaging, though still depressing to activity, and can to some extent be concentrated in areas such as drink, tobacco and petrol where the burden both to the productive economy and to the really poor is minimised.

### Cannot be raided

However, by far the healthiest approach is to halt the growth in public spending, still planned to rise by some 2½ per cent in real terms next year. This is unfortunately the least appealing approach from the point of view of a Labour government; but if Mr. Callaghan is indeed thinking nationally, as he claimed, then a review of spending should be put in hand at once. A significant start could be made simply by declaring that this year, unlike last year, the contingency reserve in the programme will remain a reserve, which cannot be raided in advance by the Cabinet.

Such policies, followed firmly, cannot produce a "fair" outcome which can never emerge from a naked trial of strength, or prevent a recession; but they can still transform a major economic crisis into a manageable setback.



SCOTLAND IS rather a pleasant place to be at a time when the British Government's fortunes appear to be declining by the day. There are no strikes to speak of. The schools are open, the hospitals are functioning and the rubbish is being cleared. Even the reports of bad weather seem to have been much exaggerated. The sun shines brightly on Calton Hill, the Edinburgh site of the proposed new Scottish Assembly.

Yet, whatever the difficulties at home it is Scotland that the Government's attention must shortly turn, and there could be troubles ahead. The referendum on the establishment of the Scottish Assembly is due to take place on March 1, and the result is far from a foregone conclusion.

The worst possible outcome, but according to many of those in the field the most probable, is that the decision on whether or not to go ahead with devolution will be thrown straight back at Westminster. Under the 40 per cent rule (to which we shall return later) approval of the Assembly requires a majority not only of those who vote, but a majority which amounts to 40 per cent of the Scottish electorate. That is a formidable hurdle for the "yes" campaigners.

For the Government, however, the problem will come if the majority of those who turn out is substantially in favour of devolution, but falls a few percentage points below the 40 per cent of the electorate laid down in the Scotland Act. Should it attempt to press ahead with the Assembly, or not? On that judgment, if it comes to it, a great deal will depend.

Yet let us assume for a moment, and for a change, that the worst won't happen. The result of the referendum will be either a clear "no"—in which case this form of devolution can be forgotten for a good many years to come—or a clear "yes", in which case the Assembly will come into being. Either way, it will be a considerable political achievement, the most lasting achievement perhaps of the Callaghan Administration.

One only has to look back a year or two to see why. Not so long ago, the Scottish National Party was rampant. There were widespread hopes—or fears—that it would win a majority of Scottish seats at a general election. At a by-election scarcely a Labour nor a Tory seat seemed safe from the SNP's encroachments. Separatism, or at least the threat of it, was very much on the political agenda. Today all that has changed. The Nationalists did relatively badly at all three Scottish by-elections last year; and the Party still shows little sign of recovery.

There is a number of reasons why this change came about. One is that at the by-elections Labour candidates in particular did their best to expose the split that has always existed among the Nationalist candidates. Some are in favour of outright independence. Others

merely vote SNP as a form of protest, rather than as some English people sometimes vote Liberal. The by-elections served to bring the Nationalists with a capital "N" out into the open. They were obliged to declare where they stood and there was a corresponding loss of support. Many of the protest voters seem to have taken fright at the thought of Scotland going it alone.

Another reason was the apparent economic recovery under Mr. Callaghan. The Prime Minister's political fortunes and those of the Labour Party rose higher than they did in England. There may also have been a certain lowering of expectations. If world economic reality was as harsh as Mr. Callaghan sometimes suggested, that was one more reason why Scotland should think twice about wanting to go off on its own. Clearly, too, there was a revival of English interest in Scottish affairs. More ministers went there and shadow ministers as well. The role of the Scottish Development Agency, for example, was played up.

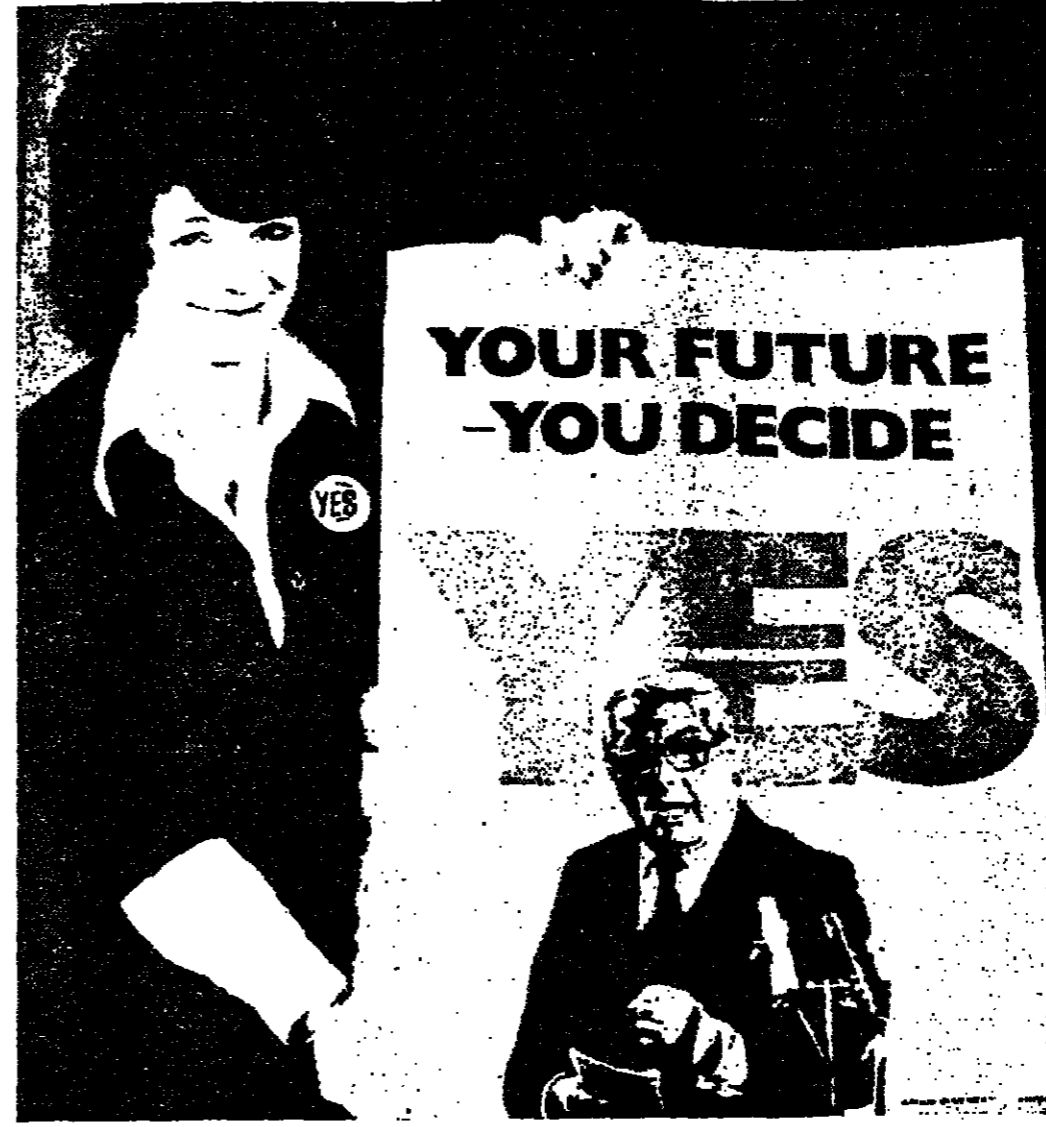
All that apart, however, it cannot escape notice that the decline of the Scottish Nationalists coincided with the passing of the devolution legislation at Westminster. Devolution was designed as a halfway house between the existing arrangements and separatism, and it may be that this is what the majority of the Scottish people want and need. In other words, it is the solution for nationalists with a small "n", people who are more than separatists, but less than separatists. That, at any rate, is the theory that is now being put to the test. If the test is passed—and it will take some time to tell—it could well be that the Callaghan Government will be regarded by historians as the one which finally came to terms with Scottish Nationalism.

There are some members of the SNP who are prepared to go along with this view. If the Assembly turns out to work, they say, well and good; there will no longer be any point in seeking independence. That is the rational approach, but in the SNP it is also the minority one. The real reason why the Scottish National Party is campaigning for a "yes" vote on March 1 is tactical. It is that the Assembly is seen as a stepping-stone to asking for more, not this year perhaps nor even next, but certainly within a few years' time. Independence is still the aim, and the Assembly merely the way.

There is another side to the coin. The best argument for the "Scotland says No" campaign can deploy is to expose the SNP's ambitions. A vote for the Assembly, it claims, is a vote for separatism, and there are signs that this is having some effect. What is at stake, therefore, is whether a tactical alliance of Nationalists and devolutionists, officially backed by the Labour Party and supported by some Labour dissidents. What is at stake in the longer run, assuming that the Assembly is established, is whether the devolutionists can then prevail over the Nationalists. (If that sounds unduly complicated by the standards of British politics, one can only say that politics in Scotland are different, though it was much the same in the old debates over Ireland.)

## POLITICS TODAY IN SCOTLAND

# A referendum to concentrate the mind



Mr. Callaghan and devolution publicity: extra votes or the kiss of death? Helen Liddell, general secretary of the Scottish Labour Party, is left holding the poster.

and supported by some Labour dissidents. What is at stake in the longer run, assuming that the Assembly is established, is whether the devolutionists can then prevail over the Nationalists. (If that sounds unduly complicated by the standards of British politics, one can only say that politics in Scotland are different, though it was much the same in the old debates over Ireland.)

### Activists' hostility

Until a few weeks ago it was fairly widely assumed that the "yes" campaign would win, even despite the 40 per cent rule. Two factors seem to have led to some reassessment, and both of them concern the Labour Party. The first is that the official Labour support for devolution appears to be having little influence on many Labour members only too well that Labour Party policy used to be precisely the opposite and they regard their real enemies in Scotland as being not the Tories but the SNP.

There was a notable example of this when I accompanied an SNP canvasser in Glasgow the

other day. We knocked by accident on the door of the constituency's Labour Party agent. "Why," said the canvasser, "are you against the Assembly?" "Because," he replied, "you're for it." There were some further remarks about the irrelevance of devolution to Scotland's requirements when what it really wanted was full-blooded socialism, about the absence of vandalism in China, and Mr. Callaghan being a Tory. But the gist of it was that here was a man capable of bringing out a large part of the Labour vote, yet who was not prepared to lift a finger for the sake of a Scottish Assembly. It is this kind of indifference bordering on hostility among Labour Party activists that is one factor causing concern within the "yes" campaign.

The other, and much more recent, factor is Mr. Callaghan himself. The MORI poll published in the Daily Express last Tuesday and giving the Tories a 19 per cent lead if there were to be a general election tomorrow sent a tremor through the "yes" headquarters. There has been no comparable survey of opinion in Scotland published in recent weeks, though the results of the latest Systems 3 poll are due out in the Glasgow Herald on Monday. It is

assumed that the Labour Party's reputation cannot have declined quite as fast in Scotland as it has in England, partly because of the relative absence of strikes. Yet it is feared that any decline could damage the "yes" campaign.

There is a curious twist of fortune here. Until very recently the Nationalists believed that Mr. Callaghan's support would help to see them home. They were relying on Labour Party posters and leaflets picturing a confident Prime Minister to bring in the extra votes. Now there is some apprehension that Mr. Callaghan's blessing will be more like the kiss of death.

Yet the Nationalists are nothing if not tactically astute. Many of them are also consummate charmers. In the past they have specialised in publicly underestimating their support in order to emphasise the size of their advance when it came. No doubt there is an element of that this time. There is, too, a carefully prepared fallback position, which brings us back to the 40 per cent rule.

The 40 per cent barrier would be difficult, but not impossible, to cross at the best of times. It puts a premium on getting the merely passive supporters to the polls. On a 70 per cent turn out, for example, the "yes" campaign

would require a 57 per cent vote to win. On a 60 per cent turn out it would require two-thirds of the vote, and if the turn out were to be only 50 per cent, the requirement would rise to 80 per cent of those voting.

The Nationalists have staked on two points. The first is that in no previous test of opinion in Britain has such a criterion been applied. The second, and more important, is that the 40 per cent rule is anyway unreliable because of deficiencies in the electoral register. That there are such deficiencies cannot be denied. There are students who are registered twice. In Glasgow especially there are voters registered at tenements which no longer exist. There are also the dead. But the real question is: how great is the margin of error?

The SNP's claims about this appear to be advancing by the week. The latest being "at least 12½ per cent." Mrs. Margo MacDonald, Vice-Chairman of the SNP, is urging students who are doubly registered to vote twice, though the slogan "vote early, vote often" is not confirmed. But in the end it may be a problem for Westminster rather than for the SNP. The Government has already acknowledged that electoral registers, even new ones, are less than perfect, but it has yet to make a judgment on the extent of the shortcomings. It is probably wise to refrain from doing so unless and until it has to.

Yet if the "yes" vote is a clear majority but falls below 40 per cent of the electorate, a judgment will have to be made. If it is (say) 37-38 per cent of the electorate, there may well be a case for trying to push ahead with the Assembly regardless. If it is (say) 35 per cent, similar reasoning may just apply. But somewhere around that 35 per cent level there must be a grey area where it would be exceedingly difficult to decide what to do.

What has to be remembered is that any attempt to repeal the 40 per cent rule would have to be put through Parliament, which imposed the rule in the first place. At the same time, any attempt to deny devolution to the Scots despite a clear majority of votes cast could be storing up trouble for the future.

There is also the question of whether the Government wants to cultivate SNP support at Westminster in order to maintain the possibility of remaining in office beyond March. That is another matter, but the outcome of the referendum matters. It will not be easy for the Government to take realistic calculations about its own future, or about the timing of the budget, until the result is known. Coupled with the by-elections in the Conservative-held English seats of Clitheroe and Knutsford, which are also to be held on March 1, the referendum should at least help to concentrate the mind. Monday, March 5, could bring some interesting announcements.

Malcolm Rutherford

## Letters to the Editor

### Liability

From the Director of Technical Services, Institute of Cost and Management Accountants.

Sir,—The well-timed contribution by Mr. Sutherland Smith (January 24) lacked only one argument to complete the story. The future pension being earned by the individual is based on the time in service and the employer's pension contract. The commitment by the company or government is therefore capable of definition for entitled employees at the end of each accounting period.

It is one of the basic axioms of accountancy that a liability should be matched against the income for the period when the liability was incurred. If business is making a profit, then a portion of that should be earmarked in some way to meet the liability. If it is making a loss, then the extra liability to be paid for out of future profits should be displayed for all to see. This would include the employee, who is likely to be very interested if future profits are insufficient to meet the commitment.

There is no reason in a rational system for government agencies to assume that future taxpayers will have the taxable capability to meet bills for ever-increasing numbers of government servants. Every time a new established civil servant is taken on, a liability is being incurred which is liable to be met on or after his or her 80th birthday. There is no excuse for keeping the tax-paying public ignorant of the very large contingent liabilities being incurred by government which will need to be met out of some future GNP.

It is interesting to note that the recent White Paper on expenditure plans 1979 to 1983 (see Cmd. 7438) does not consider it important enough to display the figures separately for this steadily increasing liability. Yet it is surely important since a liability of this nature must result in a progressive percentage increase within government expenditure year by year

and must therefore either preempt a substantial proportion of any annual increase in real terms, or decrease the money available for other activities. Proper funding would obviate this, and also show the real cost at the time the commitment was incurred.

J. R. Hewgill,  
ICMA, 63, Portland Place, W1.

### Pensions

From Mr. J. Squire

Sir,—Mr. Faulkner (Feb. 1) does well to highlight the thorny question of inflation proofed pensions in the public sector. Far too little is known about this by the general public.

Even if the company director mentioned by Mr. Faulkner had wanted to "inflation proof" his pension he would have been hindered by Inland Revenue regulations. These restrict forward funding for pensions in the private sector to an escalation rate of 8½ per cent. It is only our masters i.e. MPs, civil servants and local government officials who are permitted to indulge fully in this luxury at our expense.

The cost of providing an escalation rate of 8½ per cent to a retirement pension is double that of a level amount of pension with no escalation. Very few private firms can even afford to provide this rate never mind a full inflation proofing. Nevertheless, the public is paying for this for the public sector for current taxation.

When will we all realise that if our masters are inflation proofed they will have no incentive to cure inflation. J. C. Squire,  
Wedgewood,  
Somerset Road,  
Maidstone, Kent

### Accountants

From Mr. E. Waters.

Sir,—Mr. Littlewood (February 2) begs the ancient question whether those trained in particular disciplines can make the admittedly large leap from

specialist to general management. If his premises were to be accepted, then engineers would be as unsuited as he maintains that accountants are for the task of taking management decisions in a complex technical/marketing/financial environment.

Yet it is precisely because the training of accountants prepares them to look beyond the boundaries of their immediate subject and to relate this to virtually every problem faced by modern industry, that there are today so many accountants in top management positions. Part of their patently successful role is, indeed, as Mr. Littlewood observes, to minimise risk. But that is very far from being a negative function. A good accountant will help to provide the parameters for entrepreneurial talent to take not less risks, but better risks, that is, to take those decisions which on the best available calculations are most likely to enhance the fortunes of a business and least likely to damage them.

Brian Waters,  
The Chequers,  
Preston,  
Hitchin, Herts.

### Concordat

From the Liberal Parliamentary Candidate for Brighton Pavilion

Sir,—A "concordat" between Government and TUC is a very nice idea, but any agreement without a means of enforcement built into it is doomed to failure. Will any of the unions currently pressing their claims for 20 per cent, 30 per cent, and 40 per cent be withdrawing evidence? Unless there is some evidence of this happening, the whole exercise is a waste of time.

There are, however, more hopeful signs. Responsible opinion in the country is at last coming round to the fact that an incomes policy—and one that can be enforced—is vital for our future stability, and indeed, survival.

The Liberal Party has of course argued the case for an incomes policy for several years,

but the "traditionalists" of both left and right have ensured that their respective parties adopt it only as a measure of last resort, and in such a way that inequalities and anomalies build up and eventually destroy it.

Now, however, there are signs that the conditioned response "it won't work" is giving way to "it's got to be made to work" and individuals and groups from both other Parties, and indeed the unions themselves, are putting forward proposals for taming the "free-for-all" dragon before it devours us all. In particular, the proposals in a "better way" document produced by a group of moderate union leaders, are the most encouraging developments we have seen for some time.

The public is ready for it, the time is ripe for action, so why don't we get on with it? Why don't the three Party leaders, as David Steel suggested, get together and work out a "concordat" on a much broader front?

I can think of lots of bad reasons why Mr. Callaghan and Mrs. Thatcher have rebuffed his offer. Can anyone think of any good reasons? Delia Venables,  
10, Southway, Leics, Sussex.

### Aid

From Mr. T. McKnight

Sir,—Hugh Dykes (January 31) correctly states that Britain has received £250m of regional aid from the EEC since 1975. With the exception of Italy, we are indeed the largest beneficiary of this fund.

What politicians constantly fail to acknowledge is that the regional aid fund is a very small proportion of the EEC budget (see "A summary of EEC finances" January 3, to which I was a contributor). In 1977 the total of regional aid payments amounted to only 3.41 per cent compared with 8.74 per cent to agriculture.

Will grow into the great industrial corporations of the future, to replace the decaying and dying industries so much in evidence as the core of the British industrial problem of today.

### Liberals

From Mr. B. Fogarty

Sir,—Re Men and Matters on the European campaign (February 6): the selection of Liberal candidates is proceeding quite happily despite your remarks. We haven't, of course, had any headlines about splits in the party over European policy, or whether to have a dual mandate, or even juicy little paragraphs about big names scurrying about the country looking for a constituency willing to accept them.

We prefer to do things the Liberal way: select a candidate efficiently and democratically, to run for the only British party with a consistent and genuine commitment to a democratic European Community.

Bernard M. C. Fogarty,  
(East Surrey Liberal Association),  
7, Eastlands Way,  
Oxted, Surrey.

### Entrepreneurs

From Mr. D. Cooksey

Sir,—John de Bruyne's response (Management Page, January 31) to my plea for the unshaking of entrepreneurial spirit in the United Kingdom serves most adequately to reinforce my thesis. In his penultimate paragraph he observes just how few entrepreneurs there are to compete with, which is an undoubted reflection of the hostile climate that prevails for the budding British entrepreneur. Indeed he personally demonstrates just what an exceptional talent is needed to succeed in Britain today.

We observe that 50 per cent of all industrial jobs in the U.S. disappear every eight years. But the American attitude to the mobility of capital and labour encourages the creation of new businesses, new jobs and a concomitant high standard of living. A proportion of those new businesses

## In just over 4 years Accumulation Units in the Schroder Managed Pension Fund have appreciated by

# 128.2%

This highlights the expertise of J. Henry Schroder Waggs & Co. Limited who manage pension funds in excess of £1,000 million.

If you are self-employed or in non-pensionable employment, there are many good reasons why you should consider a Schroder Personal Pension Plan. Some of the reasons are:

- \* You get tax relief on your contributions at the highest rate paid on your earnings.
- \* You can vary your contributions according to your circumstances.
- \* Your money will be managed by J. Henry Schroder Waggs & Co. Limited, one of the City of London's most respected merchant banks.
- \* You will be entitled to a tax free cash sum on retirement plus the right to obtain the best pension available in the market (this is one of the few plans that allows this without any form of penalty).

Like to know more? Then complete and return the coupon below.

## Schroder Life Group

The Financial Services, Schroder Life Group, Exchange House, New Broad Street, Portsmouth, PO1 1AW.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Name of insurance broker (if any): \_\_\_\_\_

FT101279

The good and seamy sides of breeding

BY JOHN GRIFFITHS

# A dog's life for 600,000

DOGS ARE big business not only for the pet food manufacturers but also for the growing number of "fringe breeders" some of whose activities are causing concern to the Kennel Club and the RSPCA.

The 8,134 aristocrats now at Earls Court for the 83rd Crufts show, plus the lesser lights making up the rest of Britain's 5.5m dog population, last year munched their way through fresh and processed foods worth nearly £300m. The 140 stands at Crufts include those of dozens of manufacturers producing foods and accessories ranging from tailored coats to vitamin pills—for dogs, not owners—which together make up an annual market worth tentatively estimated at £200m. Of the 1m puppies born in Britain each year, about three-fifths are now pure-bred—albeit many of dubious pedigree—with a retail value estimated variously at between £50m and £85m.

To the pet food manufacturers, the market last year was worth over £170m at retail prices in canned food, biscuits and the new semi-moist and dry foods. With the market research group Mintel also forecasting a continuing net growth in the dog population of 2 per cent a year—one British household in four now has one or more dogs—the pet food makers are assured of a steadily growing market for the next 10 years at least.

Meanwhile, Britain's breeders have seen the average price spread for a pedigree dog intended as a pet rather than for show purposes rise from £25-£50 in the early 1970s to £75-£100 now. Occasionally dogs can change hands for well into four figures. British dogs are much in demand abroad: from a few hundred in the 1960s, last year the Kennel Club issued export pedigrees for 8,424 dogs bound for 10 different countries.

It is Crufts which provides the British breeders' shop window for the world. Of the 50,000 paying visitors to the two-day show ending tonight, nearly 5,000 will have come from abroad. Aircraft have been chartered from the U.S. and Japan, while France, which is the biggest buyer of British dogs—it took 1,700 last year—will also have been well represented.

## Unsavoury

However, behind this story of growth hangs a sorry tale. Beneath the upper crust of Crufts lies a mixture of breeding and selling practices which, towards the bottom, becomes increasingly unsavoury and which plays a major part in the destruction of unwanted dogs—now approaching 600,000 per year. And for the RSPCA and other animal welfare organisations it is a business which is as costly as it is depressing.

The RSPCA's headquarters veterinary officer, Mr. David Wilkins, estimates that of each year's new crop of 1m puppies, nearly two-thirds will finish up unwanted. Of these, perhaps half are put down by vets and the welfare organisations within a few weeks of birth; the others will be put down later in life. The RSPCA alone, says Mr. Wilkins, puts down nearly 200,000 dogs a year.

A far higher proportion of crossbred and mongrel puppies born is put down than is the case with pedigree dogs. However, Mr. Wilkins believes that because of the greater number of pedigree dogs born each year—some 600,000 against 400,000 cross-breds and mongrels—the number of pedigree dogs put down is about 300,000 a year.

The RSPCA places much of the blame for this over-produc-

tion on the way in which breeding has not been controlled, particularly during the past 10 years. From the animals sold by the hard core of "authentic" breeders—those closely involved with the Kennel Club and the show circuits—has grown, according to the RSPCA, a fringe of breeding activities. These range from the well-intentioned amateur "puppy farm" operators who, as Mr. Wilkins describes it, "obtain a few bitches and dog them silly trying to get as many puppies as possible. I've seen some pretty crummy places where this type of breeding is carried out—the worst had about 50 dogs in a few out-houses with the bitches and litters kept in derelict cars."

The two types of fringe breeder, the RSPCA estimates, now account for something like 500,000 of the new puppies born each year. The Kennel Club shares the concern of the RSPCA and other welfare organisations, but professes itself unable to do anything about the situation. Each year the Kennel Club itself registers some 200,000 puppies. But it has no idea at all of the number of dogs actually operating in the country. The Kennel Club secretary, Commander J. S. Williams, insists that the club has neither the legal authority nor the resources to control either breeding or the conditions under which dogs are bred. Registration at the Kennel Club is an automatic process; not a good housekeeping seal of quality on a dog.

The commander admits that there is nothing to stop the owner of registered dogs buying in puppies from anywhere and declaring them to be the offspring of his own animals. Altogether, the Kennel Club has on its registers some 2m purebred dogs. The Petfood

Manufacturers Association conducted a survey last year establishing that of the present dog population, some 57 per cent are pedigrees and the remainder crossbreeds and mongrels. Quite apart from those dogs registered at the Kennel Club which are not all they might be, that leaves 1.3m pedigree animals completely out of the purview of the pedigree "establishment."

This "fringe" breeding is attacked both by welfare organisations and the "legitimate" breeders. Quite apart from the question of over-population, the fringe breeder-network is regarded as the area where most of the physical faults in the animals appear. With little or no thought often given to compatibility of size, temperament or physical attributes of parent dogs, afflictions such as hip dysplasia, often causing severe lameness, and progressive retinal atrophy, leading to blindness, become perpetuated despite the attempts of the Kennel Club and "legitimate" breeders to eliminate them through registers of animals certified free of the defects.

## New markets

The fringe breeding problem has existed to some extent for decades. What has greatly increased it, the RSPCA suggests, is the emergence of a large new market for the puppies in the dealerships which have grown up during the past 15 years. These buy in puppies of often dubious pedigree from almost anywhere, with the larger dealerships in some cases selling 200-300 puppies a week in the summer season. Twenty years ago, advertisements by establishments offering just about every breed from Afghans to Yorkie terriers were virtually unknown. Fifteen years ago,

buying a pedigree dog involved tracking down an individual breeder via the vet or a Kennel Club list. Today the dealers allow a Saturday morning whim to be satisfied by a drive to one of a number of establishments where all but the more outlandish breeds can be picked up almost off the shelf.

The more dogs are acquired by more people with less effort, the RSPCA says, the more likely the dogs are to get rid of.

"That is not necessarily to say that many of these places are badly or callously run," points out Mr. Wilkins. "Many of them are run to the best of the owner's ability. The fact remains, however, that they are a strictly commercial operation seeking a quick turnover and most of them could not care less whether the person buying has got a mansion or a garret."



All the big noises of the dog world gather at Crufts: West Highland White Terriers in the judging ring yesterday.

of potential show standard. Her kennel includes one dog independently valued at £2,000. What both Kennel Club breeders and animal welfare agencies are agreed on is that neither of two Acts of Parliament passed during the 1970s, the Breeding of Dogs Act and the Boarding Establishments Act, has had much effect either on the numbers of dogs bred or on the conditions in which they are bred. Under the Acts, local authorities are entrusted with licensing and inspecting establishments; but many find themselves too hamstrung by income and manpower limitations to do an effective job. Also the Act does not give them the power to make on-the-spot inspections. The result, the Kennel Club and the RSPCA agree, is that reputable breeders endeavouring to co-operate tend to get taken to task for kennels not conforming precisely to planning conditions, while fringe breeders escape the net altogether.

In 1976, a Government working party report recommended that local authorities should take over from the police their role as handlers of the stray dog problem, and set up a national dog warden service financed by a dog licence fee raised from 37p to £5. Since then, the Joint Advisory Committee of Pets in Society (JACOBS)—comprising veterinary associations, animal welfare societies, the Petfood Manufacturers' Association and Kennel Club—has concluded that the job could be done adequately on a £3 licence. The service would be concerned not just with controlling dogs, but with licensing and police establishments, and make a determined attempt to educate the public into more responsible attitudes towards dog ownership and breeding.

All such thoughts, however, are likely to be far removed from the minds of the surviving fringe breeders as the judging at Crufts moves into its final phase tonight with the selection of Best-in-Show. Last year, the Honourable Harrowhill Huntsman, a houndy wire-haired fox terrier affectionately known as Ted to his owner, Miss Evelyn Howles. Miss Howles herself typifies a competitive, but largely non-commercial spirit which is acknowledged by her still quite widespread in the dog show world and which the Kennel Club, in eschewing all forms of commercial sponsorship, endeavours to encourage. She has not bred a litter from her half-a-dozen terriers for the past two years, and she has turned down an offer of £2,000 for Ch. Harrowhill Huntsman. She said last week that her exhibiting activities cost, rather than earn her money. Certainly, Ted's winnings from Crufts last year did little to offset her costs: they amounted to £4, plus, of course, the coveted Best-in-Show Trophy. And Ted's entry fee was, precisely £4.

## Weekend Brief

### Steel politics

The hard-pressed management of the British Steel Corporation (expected losses up to £50m this year) must be given high marks for trying. The steelmen are convinced that the only way to make the business a going concern for the future is to cut out over-manning and old-fashioned steelworks, and to concentrate upon iron and steel-making at a small number of modern and relatively efficient plants.

The proposal to close iron and steelmaking at Corby, Northants, with the eventual loss of 5,000 to 6,000 jobs is a real attempt to tackle the problem by active management. Unpublished estimates put the savings from closing those old furnaces at some £30m a year.

But what is good management for British Steel does not look so rosy to the politicians. The Cabinet is known to be distinctly uncomfortable—to say no more—at the prospect of more jobs disappearing from the steel industry during a General Election year to follow the 17,000 jobs that went last year.

In the past major plant closures used only to be accomplished against a backdrop of comings and goings in Whitehall, ministerial statements, and beer and sandwiches at No. 10. But this year the British Steel Corporation is on its own. The Department of Industry has studiously avoided being associated with any new national plan for reshaping the industry by cutting out jobs. Sir Charles Villiers, chairman, and his team know they must fight their own fight: secure their own settlements with the unions, make their own redundancy and compensation payments deals.

The 1968 White Paper on the future of steel was the result of a winter's agonising by ministers expertly guided by Mr. Gerald Kaufman the junior industry minister. While making much of the need for a slimmer and more efficient nationalised British steel industry it did not commit the Government to cut out a precise number of jobs. It now looks as though that posture of no visible involvement in the steel closures will be maintained by the Government right up to Election Day.

All of which makes life even harder for the people running the industry. British Steel is trying to scrap iron and steel-making at Corby and at Bilton, Staffordshire, at the present time. The total number of jobs to go would eventually be around 6,000 to 8,000. Without Government backing it is not going to be possible to accelerate the 1979 closures programme by taking in other old works which are also contributing to British Steel's losses at a rate of many millions of pounds a year.

British Steel managers know they could save as much money again as they plan to save on Corby if they were allowed to close steelmaking at Shotton, North Wales. Another high risk plant is Consett, Co. Durham.

But politics is the art of the possible. And the unwillingness of the Government to involve itself indicates that the wholesale jettisoning of steel jobs is



Corby workers demonstrating outside British Steel's London HQ.

seen by the Cabinet as neither politically possible, nor perhaps desirable, so shortly before the General Election campaign starts in earnest.

## Feeling better

Physiotherapists have been urged this week to "carve the name of your profession with pride into the annals of 1979"—a high-down way of hoping that they make up for a couple of dents to their collective ego in recent weeks.

The exhortation comes from the weekly paper Therapy, which mentions the conclusion of a study on the treatment of back pain, published in the British Medical Journal that, in a controlled trial, proper physiotherapy and placebo physiotherapy given to a control group eventually produced the same results.

And, second, Therapy said that an English cricketer in Tasmania had to be taken to hospital with a cracked nose and blurred vision after his physiotherapist fell on top of him. As it happens, the same issue also reports that doctors and dentists are to be warned about possible harmful effects from the drug clofibrate used for heart patients. So it seems that (the acutely ill apart) the more people in the NHS who go on strike, the better.

The intriguing thought arises that while such a dispute lasts some people are as likely, or even more likely, to get better as they would under treatment, or at least get no worse.

Nor is this possibility entirely fanciful, as the back pain study showed. The helping professions generally are very slowly coming round to the realisation that many illnesses refuse in the end to be "managed" by big guns medical treatment, and are probably induced in the first place by the patient's state of mind and general physical condition.

Accordingly, if the patient's attitude changes, the illness might abate more readily. The failure of orthodox medicine, despite its spectacular successes in some fields, to get to the root of a variety of miserable and very widespread chronic conditions, among them back trouble and arthritis, lends credence to this view. And, as the journalist and writer Brian Inglis declares at every opportunity, the limited relief offered by conventional means has persuaded many people to try alternative therapies such as chiropractic (spine manipulation) and healing.

But for hospital patients—at least those who manage to be admitted—there is another

group that is important to the course of an illness, according to another study—the nurses. The study, published in Nursing Times three years ago, dealt in part with the proposition that patients can get better quicker under some nurses' care than others because physiological change can be induced consciously or unconsciously during normal nursing care. A trial with 32 New York nurses "taught to use the therapeutic touch" produced "a significant change in haemoglobin value" in their patients compared to a control group.

Could this be what the physiotherapists were really doing, placebo or real? The work with the nurses is certainly worth comparing with one of the back pain reports' conclusions: "This study indicates the high rate of spontaneous resolution of low back pain. A course of mobilisation may hasten improvement but does not affect the long-term prognosis." A point to ponder when your physiotherapist falls on top of you.

## Homestead protection

With the weakening of the dollar, American farmland has become a prime investment for overseas buyers. Although no authoritative figures exist on the extent of the purchases, the spectre of land-hungry aliens gobbling up rich croplands has caused unrest in Capitol Hill.

Last week Indiana Senator Birch Bayh introduced a Bill which would prohibit the acquisition or control of farmland by both large American businesses and foreign corporations, governments and non-resident aliens. The proposals were designed, says the senator, "to stop the assault on the family farm from huge corporate enterprises and rich foreign investors."

A report last year, admittedly inconclusive, by the Agriculture Stabilisation and Conservation Service and State Extension Services, identified foreign purchases of 826,543 acres of cropland between January 1, 1977, and June 30, 1978. This total amounted to 2.25 per cent of all farmland sales during that period—a figure which falls into greater insignificance next to the fact that only 2.3 per cent of the 1bn acres of U.S. farmland is up for sale in any given year.

Many farmers are concerned that foreign investors are driving up the cost of land, which jumped 109 per cent from 1972 to 1977. However, the cost of farm acreage has been rising steadily over several decades. The Senate Agricultural Com-

mittee says that the "internationalisation" of U.S. land sales had "strengthened prices" but pointed out, "it is easy to misrepresent land values when machinery, livestock and permanent improvements... are part of the farm transaction price."

The report found U.S. farmland selling 50 to 100 per cent cheaper than comparable high quality land in Europe. American tax laws, lack of rent controls and political stability were found to enhance the desirability of land for foreign purchasers. The report estimated the value of foreign purchases of farmland at about \$800m to \$1bn for 1977.

To calm the outcry against foreign purchase, Congress last year passed the Agriculture Foreign Investment Disclosure Act to require foreign owners to file reports on their holdings with the Secretary of Agriculture. Since these filings are not due until August, it is unlikely that Congress will act, if it does at all, before an evaluation of those reports is made public.

## Shetland sea change

For more than 500 years the islands formed part of the Norse earldom of Orkney and Shetland. It was only in 1469 that Shetland became officially Scottish when a Danish king shared the money for his daughter's dowry was forced to mortgage Orkney and Shetland to Scotland as part of the marriage settlement.

There are a growing number of Shetlanders who favour closer ties with Scandinavia, many looking in the direction of the autonomous Faeroese and their 200-mile fishing limit with undisguised envy. In 1948 the Faeroese achieved self-governing status within Denmark which put them 30 years down the road of devolution upon which the Scots and Welsh might or might not embark.

Shetlanders have little love for the Common Market and voted No in the EEC referendum but the Faeroese, also opposed to membership, were given their way and did not enter the Community. Shetland remains reluctant to become politicised but is now in the midst of a campaign for constitutional change.

While Shetland nationalism might be too strong a phrase, there is without doubt a rapidly growing awareness that if Shetlanders do not take responsibility for their own affairs the outside world will go on exploiting or neglecting them. It is this mood which has recently produced the Shetland Movement and its campaign for full autonomy.

Mr. Jo Grimond, the Liberal MP for Orkney and Shetland, has astutely associated himself with the movement—as have the Conservative, Labour and Scottish Nationalist candidates. Supporters of the Movement believe that with neither the British Government nor the EEC particularly sympathetic, the only people who can help Shetland are the Shetlanders themselves.

Shetlanders are basically apathetic about Scottish devolution. It was only after much cajoling by Scottish Secretary, Mr. Bruce Millan, that Shetland Islands Council agreed not to opt out into a no man's land situation.

For many Shetlanders an assembly in Edinburgh is a "tartan monstrosity." They argue, with some justification, that the Scots grabbed their land, snuffed out their language, burnt their book of "Udal" law and abolished their ancient Parliament, the Aiting.

Twelve months ago Mr. Grimond cleverly steered into the Scotland Bill what became known as "Jo's amendment." The amendment gave both Orkney and Shetland the right to exclude themselves from the Devolution Bill if a majority of the Islanders voted against devolution in the referendum. A commission would then be set up—provided the islands' electors voted No in the referendum. A local referendum gave massive support for the Grimond amendment.

The Council, however, by two votes, accepted Mr. Millan's devolution deal with Mr. Grimond agreeing to drop his amendment. The Government, also in answer to demands from the all-powerful Council, agreed to new clauses in the Bill giving the Scottish Secretary powers to override a Scottish Assembly if it endangered the special interests of the islands or the status of the Council.

True to Shetland tradition, the Islands Council is on the face of it, non-political and decisions are not made on a party-political basis. In last year's elections, however, the Shetland Movement captured a sprinkling of seats and a Scottish Nationalist also successfully entered the fray.

Mr. Grimond has been MP for Orkney and Shetland since 1950 and at the last General Election his majority was over 8,800. It is not so much the Liberal Party that has held the seat as the man, Jo Grimond has become something of an institution in both island communities.

Contributors: Roy Hodson, Michael Strutt and Leslie Able

## Economic Diary

TODAY — Mrs. Margaret Thatcher, Leader of the Opposition, addresses Young Conservatives' Conference, Winter Gardens, Bournemouth.

MONDAY — Senior stewards of BL expected to meet in Coventry to discuss divided reaction by workers to strike call. Prime Minister speaks at launch of Labour Party pro-Scottish Assembly campaign rally, McClelland Galleries, Glasgow. European Central Bankers begin two-day meeting in Basle. January provisional figures for retail sales, EEC Agriculture Ministers open two-day meeting in Brussels. European Parliament session begins. Luxembourg, Confederation of Shipbuilding and Engineering Unions executive submits pay claim to employers. Statement by Mr. William Rodgers, Transport Secretary, on broadcasting traffic information. Turnover of catering trades (4th quarter).

TUESDAY — House of Commons debates state of British industry. Confederation of British Industry announces plan to reform pay bargaining system. Index of industrial production (December provisional). Building societies' receipts and loans (January). Railway Staff Council National Tribunal hearing begins on drivers' bonus claim.

WEDNESDAY — Special meeting of Trades Union Congress general council. Congress House, London. Balance of payments current account and overseas trade figures (January). Financial Times two-day conference on Finance and Trade in 1980, opens in Frankfurt — speakers include Mr. Gordon Richardson, Governor, Bank of England, and guest speaker at dinner is Herr Helmut Schmidt, West German Chancellor. Mr. Gordon Richardson addresses Institute

of Bankers dinner, Birmingham. Basic rates of wages and normal weekly hours (January). Monthly index of average earnings (December).

THURSDAY — Mr. Moss Evans general secretary, TGWU, is guest speaker at American Chamber of Commerce luncheon, Savoy Hotel, London. UK banks' assets and liabilities and the money stock (mid-January). London dollar and sterling certificates of deposit (mid-January). Finished steel consumption and stock changes (3rd quarter final and 4th quarter provisional). Consumers' expenditure (4th quarter—2nd preliminary estimate). Building societies' mortgage survey, 5 per cent sample survey results (4th quarter). Cyclical indicators for the UK economy (January).

FRIDAY — Retail prices index (January). Usable steel production (January).

# ARBUTHNOT GOVERNMENT SECURITIES TRUST LIMITED

## Interim Dividend and Forecast

The Directors are pleased to declare the first interim dividend of 6.25p per share and forecast that dividends for the year to 31st July 1979 will total at least 12.5p per share. At the offer price of 92p ad\* this will provide an estimated gross yield of 13.6%.

The unaudited Revenue Account for the period 24th July 1978 to 31st January 1979 is as follows:-	
Investment Income	£ 112,207
Bank Deposit Interest	6,992
Expenses	119,199
	10,725
	108,474
Equalisation on shares issued during the period	29,583
Available for Distribution	138,057
First Interim Dividend of 6.25p per share	129,232
Revenue retained	8,825
Estimated Gross Dividend Yield (at the offer price of 92p ad*)	13.6%

\*Valuation as at 6th February 1979, being the last dealing date.

## Particulars of Company

The Company was formed by Arbutnot Securities (C.L.) Limited to provide management of British and Irish Government Securities. As the Company is resident outside the United Kingdom and Ireland, interest on the securities in the fund is received without deduction of tax. The Company is liable only to £300 Jersey Corporation Tax. The Share Capital is divided into Income and Capital shares which are of equal value and are issued and redeemed at prices based on net asset value. Valuation and dealing dates will normally be on Mondays unless any such Monday is not a business day in which case the operative date will be the next business day.

The Income shareholders receive gross dividends in cash and the Capital shareholders a scrip issue of equal value. Distributions are made on 15th April and 15th October. Capital shares may not be held by residents of the United Kingdom or Jersey. The Income and Capital shares are listed on The Stock Exchange, London. Further particulars regarding the Company and a copy of the interim report may be obtained from:-

Arbutnot Securities (C.L.) Limited, PO Box 284, Rutland House, Pitt Street, St. Helier, Jersey, Channel Islands. Tel: Jersey (0534) 76077.

# ARBUTHNOT GOVERNMENT SECURITIES TRUST LIMITED

# Depressed demand leaves Alcan (UK) down £13m

INSUFFICIENT sales throughout most of last year and a delayed recovery in demand are blamed for the slump from £24.7m to £11.1m pre-tax profits at Alcan Aluminium (U.K.) for 1978.

The year's profit downturn follows the first-half cut from £14.7m to £5.1m. The directors said then that a low demand combined with an intense price competition resulted in heavy pressure on margins. Demand was expected to increase with a consequential improvement in second-half profits.

However, shareholders are receiving the promised total dividend of 9.9p (same) — the final is unchanged 6.6p. Earnings per £1 share are shown at 16.3p against 56.5p.

Sales in 1978 improved slightly from £269.9m to £269.7m. Profit attributable to ordinary holders was £3.1m against £19.4m.

The directors explain that the devaluation of the U.S. dollar also had an adverse effect on the primary industry and resulted in inadequate realisations and earnings. Unacceptable levels of productivity and equipment failures resulted in lower output.

In 1978, major capital investment programme was started, aimed at modernising the semi-fabricating operations. Capital expenditure, though planned at £18.8m, was less and expenditure about 10 per cent below £18.8m in 1979 and 1980.

During the year, exceptionally heavy maintenance and repair costs were incurred at the Lynemouth smelter, mainly due to defective plant and equipment. These have been alleviated by the settlement of a claim against certain contractors reached in

## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. Total of 1977	Total last year
Hawthorn Leslie Int. Ltd.	1.5	April 4	1	2.36
Edinburgh Property Co.	1.85	March 17	1.55	2.85
Glasgow Stockholders	1.85	—	—	2.5
Alcan (UK)	6.6	—	9.9	—
Brit. Amer. Tel.	1.13	Apr. 19	1.85	1.65
Debuture Corp.	1.95	Apr. 3	1.65	2.75

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issues and/or acquisition issues. †Maintains previous year's total as forecast in June, 1978.

principles in December 1978, amounting to £2m.

The directors anticipate completion of the legal documentation relating to this settlement before the end of February. Alcan Aluminium (UK) came to the market last June following conversion by British holders of most of the 9 per cent convertible loan stock. The parent company is Alcan Aluminium of Canada.

See Lex

## Braid plans to widen franchises

STEPS ARE being taken to widen by acquisition the franchises held by Braid Group, says Mr. Denby Bamford, the chairman.

In his annual statement he points out that about 50 per cent of their business is dependent upon Vauxhall. He adds that this is much too high a proportion to

be contemplated indefinitely in the corporate strategy.

Mr. Bamford says they must plan the growth of the business so that while maintaining or expanding the Vauxhall connection they can reduce the dependence on any one manufacturer.

On prospects he states that the group is in a stronger position than perhaps at any time in the past two decades. The major part of the £1m development has been carried out, and the two Yorkshire acquisitions will make their contribution.

Mr. Bamford adds that he is reasonably optimistic about the short-term performance, and utterly confident of their long-term success.

In the year to September 30, 1978 pre-tax profits were down slightly from the record £307,000 to £270,000. However, the year ended on £35.85m to £30.85m. Net current assets are shown up from £2.8m to £3.4m.

Meeting Liverpool March 1 at 12.15 pm.

The pre-tax figure was struck after crediting provision for vesting subsidiaries of £150,000 (£203,858), amounts written off subsidiary losses of £66,608 (£144,893) and a minority credit of £32,638 (nil).

Tax takes £24,533, against £14,128.

The Board says the total compensation receivable for the vesting subsidiaries has not yet been agreed with the Department of Industry.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.



Mr. Rex Chester, chairman of the Donald Macpherson group, on the retail filling floor at the company's main production site in Bury. The group is the sole supplier to Woodwards of Cover Plus paint, which has 14 per cent of the retail market. The group is due to announce its interim results on Tuesday.

## Hawthorn Leslie's turnround to £0.25m

A TURNROUND from a £77,779 loss to a pre-tax profit of £248,055 in the year to June 30, 1978 is reported by R. and W. Hawthorn, Leslie and Co. There is a dividend of 1p net per 50p share.

The pre-tax figure was struck after crediting provision for vesting subsidiaries of £150,000 (£203,858), amounts written off subsidiary losses of £66,608 (£144,893) and a minority credit of £32,638 (nil).

Tax takes £24,533, against £14,128.

The Board says the total compensation receivable for the vesting subsidiaries has not yet been agreed with the Department of Industry.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

nificantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is investment income on the £1.5m liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about nine while the yield of 2 per cent is not so generous considering the £180,000 compensation payment is stripped out.

Credit has been taken in the accounts for the amount of £50,000 in respect of the Department of Industry on account up to yesterday which totals £550,000. No credit has been taken in the accounts for further substantial compensation expected.

Five years ago shareholders of Hawthorn Leslie would never have dreamed that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will undoubtedly be more than welcome after three years of losses and two without a dividend. Profits of course, are sig-

# Caledonian highly critical of LMI bid methods

BY ARNOLD KRANSDORF

Caledonian Holdings yesterday attacked London and Midland Industrials for launching an £8.4m takeover bid just 24 hours after Caledonian had come to the market as a public company.

In a stiffly-worded rejection document, the directors of Caledonian criticise the method and timing of LMI's bid. They say that LMI is trying to gain quick control of the company on the cheap and before the market has the opportunity to assess its correct value.

They say that LMI, having purchased 20 per cent of Caledonian at the offer for sale stage by making multiple applications in nominee names, made no attempt to have advance consultations about its intentions or the commercial consequences of its proposals.

"It is unlikely that they (LMI) would have adopted this type of approach if they had intended to pay a fair price for Caledonian," they say.

The Caledonian directors confirm that they have received other approaches since the LMI bid and that these indicate "that the true value of Caledonian is in excess of the bid value."

They reveal that Caledonian's first quarter profits jumped by 45 per cent to just under £1m and that they plan to pay dividends of 10.6p gross for the year ending September 30, 1979 — a 53 per cent improvement on the forecast made at the time of the offer for sale last month.

"The increase is described as 'an appropriate step' towards the value of shareholders' interests in the company in the face of a cheap bid."

Referring to the profits rise, the directors say that it should not be taken as being indicative of the company as a whole. The increase was largely attributable to the home improvement division but in January sales were adversely affected by the extreme weather conditions; also the kitchen unit factory was forced to close because of the roof collapse dispute.

However, they are confident of satisfactory results for the year.

Meanwhile, Comet Radiovision Services, which earlier this week announced that it had acquired a 2 per cent share in Caledonian, disclosed that it has increased its stake to just over 15 per cent. This compares with LMI's total holding of just under 30 per cent.

Apert from its DIV business, Caledonian has interests in several engineering and ladies' hosiery, its original owner, Stenhouse Holdings, received 15.4m through the flotation.

Last night Caledonian's shares closed 5p higher at 105p, valuing the company at £10.5m. LMI's share price was unchanged at 100p.

UNION DISCOUNT SELLS MONEY BROKING ARM

Union Discount has agreed to sell its money broking subsidiary, Ualisco Brokers, to the Frizzell Group which will continue the business at present conducted by Ualisco in London.

The Frizzell Group has undertaken to change the name of the company within six months so that it will retain no association with Union. This sale has no significant effect on either the assets or the earnings of Union.

Mr. Richard Petherbridge, senior managing director of Union said: "The Board had for some time been considering the future strategy and outlook for their subsidiary. The main consideration of Union is and must continue to be that of principals in the money market."

CATTLE'S £1.3M EXPANSION

Cattle's (Holdings), the consumer finance and retailing group, is buying The Premier Clothing and Supply Company in a deal worth £1.3m.

Cattle's is making its offer through the issue of 3,200,000 shares, and the balance of the consideration will be settled in cash. Cattle's shares closed at 35p yesterday, down a 1p.

For the 13 months to January 31, 1978 Premier's audited

accounts showed a taxable profit of £16,000, but if adjusted to comply with Cattle's accounting policies there is a notional pre-tax loss of £18,000.

Premier operates from over 40 branch offices in south Wales and nearby areas in the provision of consumer financial services, retailing, general wholesaling and insurance broking.

Net assets of Premier at January 31, 1978 totalled £1,305m.

DOWNIEBRAE PULLING OUT OF INGOT MAKING

Metal merchant and ingot manufacturer Downiebrae Holdings is ceasing ingot manufacturing because of the poor performance of that activity over the last few years.

With the capital released from the termination of ingot manufacturing the group is planning to reduce borrowings by a substantial amount, and expand the engineering division.

It has bought J. and R. Whitehead of Oldham for £210,000 cash.

Whitehead's pre-tax profit for the year ending November 1978 was £1,793. Net assets were £204,800.

Downiebrae is pressing ahead with plans prepared by Whitehead to double the present factory area which will largely consist of shops with Whitehead's possible output.

In its last year ending December 31, 1978, Downiebrae's taxable profits were £430,246, compared with £340,000.

HILLARDS

Hillards announces that the Prudentia Group now holds 315,000 Ordinary shares or 5.14 per cent of the capital.

The company's prospective dividend yield of 3.7 per cent is around 1.5 points behind the average rate — the food retailing sector, not nearly six points as stated in Thursday's comment adjoining the interim results.

SHAREHOLDERS OF Armitage Shanks and H and R Johnson-Richards Tiles which are proposing to merge — were warned yesterday that if the current state of industrial disputes continues it could affect profit forecasts made at the time of the merger announcement.

In a document sent to both sets of shareholders Johnson-Richards says that in the last three weeks "supply of some raw materials and certain industrial actions in Melbourne, Adelaide and Perth and it accounts for about 30 per cent of all Australian bloodstock sales."

Mr. Bill Hartley, one of the executive directors of the new company currently with Goff said yesterday that the problem in Australia was that the standard of the horses is relatively low.

"Part of the solution is to build up the quality of the bloodstock and it is in this area, particularly, that we will be supplying expertise," he said.

Mr. Hartley explained that the bloodstock business is highly seasonal and because Australia was in the Southern Hemisphere, Goff would be able to devote considerable time to the business without affecting its own operations.

The move is the second major expansion for the County Kidare based bloodstock company. It has acquired a bloodstock operation in France.

For Dalgety, the new company is a means of acquiring the expertise it needs to expand into what it sees as a potential growth area of the Australian rural industry.

ASSOCIATED TOOLING

A further improvement in group liquidity is reported by Mr. A. G. Pratt, chairman of Associated Tooling Industries. Reporting on the completion of the sale of 4, Union Street, Luton, he says that the group has bank deposits of more than £295,000.

The Luton sale made a surplus of £55,000 over the book value of

Industrial disputes may affect Armitage/Johnson forecasts

SHAREHOLDERS OF Armitage Shanks and H and R Johnson-Richards Tiles which are proposing to merge — were warned yesterday that if the current state of industrial disputes continues it could affect profit forecasts made at the time of the merger announcement.

In a document sent to both sets of shareholders Johnson-Richards says that in the last three weeks "supply of some raw materials and certain industrial actions in Melbourne, Adelaide and Perth and it accounts for about 30 per cent of all Australian bloodstock sales."

Mr. Bill Hartley, one of the executive directors of the new company currently with Goff said yesterday that the problem in Australia was that the standard of the horses is relatively low.

"Part of the solution is to build up the quality of the bloodstock and it is in this area, particularly, that we will be supplying expertise," he said.

Mr. Hartley explained that the bloodstock business is highly seasonal and because Australia was in the Southern Hemisphere, Goff would be able to devote considerable time to the business without affecting its own operations.

The move is the second major expansion for the County Kidare based bloodstock company. It has acquired a bloodstock operation in France.

For Dalgety, the new company is a means of acquiring the expertise it needs to expand into what it sees as a potential growth area of the Australian rural industry.

ASSOCI

APPOINTMENTS

# Reckitt & Colman deputy chairman

Mr. M. R. Harris, director of finance and planning of RECKITT & COLMAN, has been appointed deputy chairman. Before joining Reckitt and Colman in April 1977, Mr. Harris was director general of the Panel on Takeovers and Mergers and before that a senior partner in Price Waterhouse and Co.

Crompton Parkinson has appointed Mr. G. W. Mellors as market development executive within the Vidor commercial dry batteries division. Mr. H. Armstrong has become managing director of Brook Victor Electric Vehicles. Mr. W. Miller has been made a director of CROMPTON PARKINSON MARKETING from March 1. The companies are members of the HAWKER SIDDELEY group.

Mr. J. W. Rodgers has been appointed director in charge of general marketing division of RENTON. He was previously marketing director of the pest control division.

Mr. J. Maguire has been appointed sales and marketing director of WEBB INTER-LININGS, a subsidiary of the Hollis Group. He was formerly a director and company secretary of Kufner UK and Eire.

Mr. S. H. M. Bradley, chairman and managing director of R. STODART AND TAYLOR, is leaving that company to pursue his own business interests following the acquisition of his minority shareholding in R. Stodart and Taylor by Gulliver Foods. Mr. M. Butcher, formerly sales director of Cizano (UK), has been appointed managing director of R. Stodart and Taylor in succession to Mr. Bradley.

Mr. A. J. Monks has been appointed managing director of STAG PLASTICS.

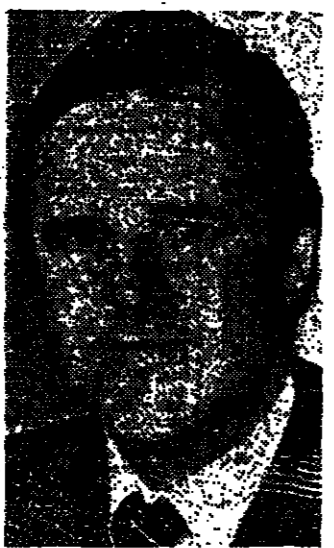
Mr. J. G. McIlwain has been appointed financial adviser (external affairs) in the resources and external affairs division of BRITISH GAS. His present responsibilities with British Methane and Methane Services are unchanged. Mr. McIlwain was formerly manager of the British Gas headquarters

audit and investigation department.

Mr. Eric Kirkham has become director, UK Sales, of CRANE FRUEHAUF and Mr. Tony Palmer has been made marketing services manager.

Mr. D. F. Dedman has been appointed financial director of the BARDEN CORPORATION (UK).

Mr. Ramon Mortimer has been appointed to the Board of STOTHERT AND PITT and takes up the position of managing



Mr. Ramon Mortimer, director for the newly created general engineering division. He was previously managing director of the iron foundry division of S. Russell and Sons.

In reporting the appointments to REED ENGINEERING AND DEVELOPMENT SERVICES yesterday, a typographical error inadvertently abbreviated the title of the company to Development Services.

Mr. David Ingman, a deputy chairman of ICI Plastics Division, has been appointed a non-executive director of NERGETTI AND ZAMBRA.

Following the purchase of the Parall Engineering (Holdings)

# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

The bids and deals scene has continued to attract steady attention although actual transactions which emerged last week were comparatively small.

Diversified industrial company Central Manufacturing and Trading has made an agreed 66p cash offer for G. R. Francis, the bathroom, kitchen and heating products concern, valuing the latter at £1.3m. The bid is assumed to succeed because G. R. Francis' Board has already voted its 58 per cent holding to the bid and CMT has acquired a further 12.4 per cent through the market.

Rossminster Holdings, the property investment group, has made a £1 a share cash bid for fibroboard manufacturers Jacksons Bourne End to satisfy Takeover Panel rules, Rossminster having recently increased its stake in Jacksons to a near 58 per cent.

Yarn and fabric manufacturers John Bright has emerged as the bidder for Lancashire cotton yarn group, Ash Spinning. Bright has offered 110p cash per share for the company, and Ash's directors have agreed in respect of their 7.5 per cent combined holding.

In a move to cement its existing close relationship with loss-making U.S. music company United Artists Records, EMI has launched a £1.5m rescue bid. The takeover will secure EMI's access to existing records and expand its repertoire of artists.

After an extensive survey of the automotive replacement parts market, Guest Keen and Nettlefolds, in its first major step into U.S. expansion, has proposed a takeover of Parts Industries Corporation of Memphis, Tennessee. The deal, for an undisclosed sum, has been agreed in principle by Parts Industries' major shareholders and will give GKN a significant presence in the U.S. distribution market.

Timber importer and builders' merchant Montague L. Meyer has acquired the assets of North Wales-based Gwynedd Building Supplies for a consideration of £1m in cash and shares. The Gwynedd depots will be merged with Meyer's timber depot at Pwllheli.

Architectural ironmongers Sheffield Brick has bought agricultural ironmongers Parker Winder and Achurch for £300,000 cash, plus a further £40,000 after Parker's accounts for the period to February 3 are audited. Sheffield's acquisition is the first of significance since Mr. Roger Marsh, the new deputy chairman, acquired a 20 per cent stake in the company.

William Jacks' parent company, William Jacks (Berhad), has received an approach from an unnamed party interested in acquiring the Malaysian company's 50.2 per cent stake in the UK-based overseas trader and motor distributor.

Dealings in the shares of Inter-European Property were suspended pending the outcome of talks with an unnamed party which may lead to an offer.

In rejecting Sime Darby's £122m offer, Guthrie Corporation has issued in its bid defence a significantly increased dividend

and profits forecast and a revaluation of assets estimated at 625p per ordinary share which compares with Sime's offer for the company of 425p per share.

Caledonian Holdings' Board has rejected London and Midland Industrials' £34m offer as "wholly inadequate" and, although not intentionally encouraging bids approaches, intends to enter discussions with a number of other parties who have indicated serious interest in the company.

Company bid for	Value of bid per share** price**	Price of bid before bid	Value of bid fm's**	Final Bidder	Acc'tee date
Algonate	385*	374	309††	Merck	20/2
Anglo-Swedish	54†	55	28††	Arasirong Est.	—
Ash Spinning	110*	108	108	John Bright	—
Best & May	82½§§	82	65††	Crown House	—
Caledonian Hldgs.	86	100	72	London & Midland Inds.	9/4
Chamberlain Grp.	65§	62	45	Brown & Sharpe	—
Dartmouth Invs.	25*	24	19‡	Harsco Corp.	—
Duffey	30*§	43	38	Canter	—
English Property	46*	46	36‡	Wereldhave	23/2
G. R. Francis	68*	67	64	Cent. Manufctr. & Trading	—
Guthrie	425*	428	345	Sime Darby	16/2
Jacksons Bourne End	100*§	72	76	Rossminster Holdings	—
Johns Richards	131§§	129	109	Norroc	—
Keen & Seopt	10*	27	12	Mr. Mostyn Levein	—
Moss Engineering	79	79	72	GEI Intl.	—
Peacorp	67½§§	65	54††	Ferguson Indust.	—
Birmingham	67½§§	65	54††	Holdings	12/2
Westinghouse Brake	95†	90	62	Hwk. Siddy.	—

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. Date on which scheme is expected to become operative. \*\* Based on 8/2/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. || Unconditional.

## Offers for sale, placings and introductions

Mid Southern Water Company: Offer by tender of £5m 8 per cent redeemable preference stock 1984 at minimum of £98 per cent

## Scrap Issues

African Lakes: One for five.  
Mining Supplies: One for one.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
African Lakes	July 1978	1,206 (1,247)	101.3 (96.3)	4.4 (5.52)
Dewhurst Dent	July 1978	490 (624)	1.7 (2.6)	0.6 (1.89)
Dewhurst & Ptnr.	Oct. 1978	239 (187)	1.5 (1.0)	0.82 (0.53)
Evode	1978	1,340 (1,383)	5.5 (6.2)	1.16 (1.14)
Hallam, Sleah	Sept. 1978	159 (157)	2.3 (1.9)	1.34 (0.26)
Hill & Smith	Sept. 1978	1,054 (927)	17.0 (15.1)	3.0 (2.19)
Imperial Group	Oct. 1978	131,050 (129,120)	18.5 (18.2)	6.32 (5.86)
Kitchen (R.) Tylr.	Sept. 1978	2,179 (800)	33.5 (10.9)	1.54 (1.0)
Met ams Motors	Sept. 1978	744 (680)	20.8 (18.5)	5.0 (4.0)
Plastic Constns.	Sept. 1978	452 (508)	4.6 (5.0)	2.32 (2.07)
Pratt (F.) Engrg.	Oct. 1978	967 (861)	14.4 (13.7)	5.42† (4.81)
Scot. Agricultural	Dec. 1978	4,118 (4,877)	26.4 (29.0)	12.5 (12.0)

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Amal. Distilled	Sept. 1978	10 (68)	0.25 (0.5)
Benn Brothers	Dec. 1978	370 (417)	0.9 (0.8)
British Land	Sept. 1978	255 (2,020)	Nil (Nil)
Clifford & Snell	Sept. 1978	98 (95)	0.34 (0.31)
Crouch Group	Sept. 1978	289 (259)	1.0 (0.91)
Dowty Group	Sept. 1978	14,124 (11,062)	2.5 (2.21)
Elblet	Oct. 1978	181 (121)	0.38 (0.35)
Excelsior (Jwr.)	Oct. 1978	309 (470)	0.29 (0.26)
Hetton Holdings	Oct. 1978	590 (282)	1.3 (0.9)
M. L. Holdings	Sept. 1978	303 (277)	2.0 (1.5)
Hillards	Nov. 1978	1,176 (1,150)	2.0 (1.0)
Jackson (W.)	Oct. 1978	946 (658)	Nil (Nil)
Kunick	Nov. 1978	44 (7)	0.22 (Nil)
Mining Supplies	Oct. 1978	1,220 (373)	Nil (Nil)
Ransom (Wm.)	Sept. 1978	238 (252)	1.3 (1.16)
Strling Knitting	Sept. 1978	204 (197)	0.35 (0.35)
Textured Jersey	Oct. 1978	264 (106)	1.0 (0.5)
Tn. & City Procs.	Sept. 1978	7,688L (10,969L)	Nil (Nil)
Unitech	Dec. 1978	1,409 (1,125)	1.67 (1.45)
Unitec	Dec. 1978	5,509 (9,100)	Nil (Nil)
Vibroplant	Sept. 1978	1,600 (1,250)	1.42 (0.98)
Watshams	Sept. 1978	291 (248)	3.3 (1.65)

(Figures in parentheses are for corresponding period.)

\* Dividends shown not except where otherwise stated. † Adjusted for any intervening scrip issue. ‡ Including special dividend due in change in tax rate. L Loss.

shareholding, the Board of T. W. BARRFOOT has been restructured; managing director Mr. J. E. Burgess becomes chairman and managing director, Mr. S. L. Heys and Mr. J. T. Storbek have been appointed technical sales and financial directors respectively and Mr. W. Kenward as company secretary. Mr. D. E. Haynes continues as works director. Non-executive directors Lord Thomas of Remenham, Sir Neil Shields, Mr. Bryan S. Reid Jr. (U.S.) and Mr. Richard D. Abelson (U.S.) have retired from the Board.

Major General Tony Dyball has been appointed director and secretary of the PRINTERS' CHARITABLE CORPORATION, following the retirement of Mr. Arthur Reynolds from the post of general secretary.

Mr. John A. Crabb has been appointed vice chairman of the DICKINSON ROBINSON GROUP.

Mr. M. J. Cullen has relinquished his position as chairman of AUSTIN PACKAGING GROUP to take up a senior position with the parent company, UNILEVER in London. Mr. J. B. Case joins the Board of Austin Packaging Group as managing director and chief executive.

The Minister for the Arts has appointed Lord Brabourne and Mr. Jeremy Isaacs members of

the governing body of the BRITISH FILM INSTITUTE. The following members have retired from the governing body: Mr. James Archibald, Lady Casson, Mr. Roger Graf, Mr. Michael Reigh and Sir Stanley Yapp.

As a result of the sale to BP Chemicals of its polystyrene/expandable polystyrene interests in the EEC, MONSANTO has made the following changes in its European plastics and resins organisation. Mr. Graham F. Carnell, field sales director for plastics and resins, is promoted to business director for plastics, based in Brussels. As manager, development and technical service, Mr. Joseph Gullion heads the plastics section of the Louvain-la-Neuve technical centre. In the field sales organisation for plastics and resins, Mr. John E. Deakin becomes area sales manager for UK and Eire and Mr. Karl-Herz Eismar for Germany/Austria.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK has made Mr. Richard Carr a vice president of the bank. He is a member of the bank's trust and investment division.

Mr. Roy Graveney has been appointed sales director of RAINHAM TIMBER ENGINEERING COMPANY and Mr. Douglas H. Simpson has joined the company as senior technical representative for the Southern area.

# Share Exchange has the following advantages

- If you hold UK-quoted shares, Gartmore can make you a particularly attractive share exchange offer.
- We will take shares in approximately 400 securities, including all the leading shares, into Gartmore at the offer price without any charge for selling expenses. This means you can save a minimum of 1.6% plus the jobbers' turn.
- Securities not acceptable will be sold at the bid price but the managers will pay all costs involved in the transaction. This also saves a minimum of 1.6%.
- We offer a wide range of unit trusts all of which give you the advantage of full-time professional management from a group which now manages funds in excess of £750 million.
- If you have hesitated to exchange your shares because of Capital Gains Tax, it is worth noting that the level of tax has been very much reduced by the Finance Act 1978. Total gains of up to £1,000 in one financial year are now free of tax and the next £4,000 is taxed at only 15%.
- Once you switch into a unit trust you enjoy favourable Capital Gains Tax treatment.
- If you would like to know more about the Gartmore Share Exchange Service and the trusts we offer, or would like to know which of your shares are acceptable at offer price, please complete the coupon below, and attach a list of shares and the number you hold.

**GARTMORE**  
£750,000,000 under Group Management.

To Gartmore Fund Managers Limited,  
2 St. Mary Axe, London EC3A 8BP. 17T1002SE

Please send me details of the Gartmore Share Exchange Service (Please attach a list of your shares)

Name \_\_\_\_\_  
Address \_\_\_\_\_

**INTEREST 14 1/2% PER ANNUM**

Paid on deposits. Paid Gross. No tax deducted. Minimum deposit £500. Minimum period 24 months. Other rates available. Special rates for £5,000 plus. Full particulars from: **FIRST FAYELL FINANCE LTD.** 168, Brookfield Road East, Northampton NN2 2HS. Telephone 0604 714620

**CLAVERHOUSE INVESTMENT TRUST LIMITED**

FINANCIAL STATEMENT FOR YEAR TO 31st DECEMBER

	1978	1977
Revenue before tax	£664,565	£532,958
Earnings per share	4.43p	3.83p
Interim dividend per share	1.50p	1.50p
Final dividend per share	2.90p	2.30p
Net Asset Value per share	110.77p	104.85p

Value of investments: £11,137,143

Manager  
**INVESTMENT TRUST SERVICES LIMITED**

# A HORROR STORY for Director/Shareholders

£100,000	£100,000
Less Corporation Tax	52,000
Residual available for distribution to you	48,000
Less Personal Tax @ 30%	45,567
Net amount available for you	£1,433

**CONCLUSION**  
Of every £100,000 of profit earned, only £1,433 - less than 1.5% - is available for you, the owners of the business, to spend.

**IT DOESN'T HAVE TO BE THAT WAY!**

If you'd like a dramatic change, why not contact us? And if your financial year end is imminent, please hurry. Telephone us and ask for The Senior Consultant.

**Bevington Lowndes** London: 01-235 8000  
Manchester: 061-833 0671  
Birmingham: 021-454 4348

Bevington Lowndes Limited, 5 West Halkin Street, London SW1

**GUARANTEED 9 1/4% NET FOR 5 YEARS**

the equivalent of 13 3/4% if you pay tax at the standard rate of 33% Or a guaranteed return of over 55 1/2% at the end of 5 years.

The Cornhill Guaranteed Bonus Bond is a lump sum investment that provides a high guaranteed annual bonus and the return of your capital after 5 years. This offer is limited. Send for full details now.

Cornhill Insurance Co. Ltd. was established in 1805 and has total assets in excess of £144 million.

It is a member of the Thomas Tilling Group.

To Cornhill Insurance Co. Ltd., FT1  
Freepost, 57 Ladymead, Guildford, Surrey GU1 1BR.  
Surname (Mr. Mrs. Miss) \_\_\_\_\_  
Christian Name \_\_\_\_\_  
Address \_\_\_\_\_

No Salesman will call. We promise. Not applicable to Eire.

**JAM TOMORROW AT TATE & LYLE**

If Tate & Lyle restores its dividend the yield would be 14 per cent. Are the shares cheap or should they still be avoided? "Equity Research", the subscription only investment newsletter, advises its readers this week.

For details of free trial offer telephone 01-268 7012 or write to EQUITY RESEARCH (Dept. FT 10/2), Warrington Chambers, 140a Queen Victoria Street, London, EC4V5SD.

**"At 90 I find activity keeps me young"**

We can all help to leave others the chance of happy old age

"I am one of the lucky ones, for my public work brings me in constant contact with people. But, sadly, many 70- and 80-year-olds must face every day in total loneliness. You and I can each do something about that—especially by leaving a legacy.

Poverty is no longer the reason for loneliness of the old. It is simply that there is almost nowhere for them to go to meet others, and for the frail no easy means of getting there.

One of the most practical things you can do is to support Help the Aged's pioneer work in providing friendly Day Centres, and volunteer minibus lifts for those unable to walk.

I am thankful that Help the Aged also works to help those old people obliged to suffer hunger in countries struggling to develop. Time is not on the side of the old. I hope you are and that you will send for the useful booklet the charity publishes on "Making Your Will" and on the tax saving made possible by charitable legacy."

Fenner Brockway  
Fenner Brockway

Write for these interesting and informative booklets and the annual report and accounts to: The Hon. Treasurer, Lord Maybray-King, Help the Aged, Room FT3L, 32 Dover Street, London W1A 2AP.

Perpetuate a loved name and help work for old people. £150 inscribes a name in enduring memory on the Dedication Plaque of a day centre.

**SEARCHING FOR A RICH REWARD?**

**LONDON GOLDHAWK CENTENARY BONUS**

You'll always find a rich reward at London Goldhawk Building Society. And this year, even more so, because 1979 sees our one hundredth anniversary. To mark the occasion we have decided to pay a Centenary Bonus on all of the shares listed below, which will be by way of an extra 0.25% interest throughout 1979.

The current rates of interest and the effect of the new Centenary Bonus are as follows.

SHARE	CURRENT RATE (%)	WITH CENTENARY BONUS (%)
Ordinary Shares	8.25%	8.50% = 12.69%
1 Year London Peak Shares	8.75%	9.00% = 13.43%
2 Year London Peak Shares	9.00%	9.25% = 13.81%
3 Year London Peak Shares	9.25%	9.50% = 14.18%
Monthly Subscription Shares	9.50%	9.75% = 14.55%
3 Months Withdrawal Shares	8.75%	9.00% = 13.43%

\* If you pay basic rate of income tax at 33%.

**NEW ISSUE** We are also pleased to announce the re-introduction of our shares at three months' notice of withdrawal.

So now's the time to seek out that rich reward with the shares shown above all paying an extra 0.25% throughout 1979.

Join the higher society by sending this coupon for further details.

Name \_\_\_\_\_  
Address \_\_\_\_\_

**LONDON GOLDHAWK BUILDING SOCIETY**  
15-17 Chiswick High Road, London W4 2NG. Tel: 01-995 8321

Member of the Building Societies Association - Authorised for Investments by Trustees. Centenary Interest Bonus paid during 1979 only.

Companies and Markets

WORLD STOCK MARKETS

Bargain hunting on WallSt.: up 3

INVESTMENT DOLLAR PREMIUM \$2.60 to \$2.85 (87%) Effective \$2.000 46% (44%) Further gains were scored in moderate trading on Wall Street yesterday...

out in the Prime Rate by Citibank to 11 1/2 per cent from 11 per cent. Citibank joined three other major banks at 11 1/2.

PARIS—Generally higher with Banks, Motors, Steels and Oils gaining ground. Trading fairly active.

stock. Mark Foreign Loans lower. TOKYO—Sharply lower on increased uncertainty over oil supplies and prices. Volume 260m (\$20m) shares.

FRIDAY'S ACTIVE STOCKS Table with columns for Stock, Price, Change, Volume

Indices

NEW YORK - DOW JONES Table with columns for Index, High, Low, Change

Indices

MONTREAL Table with columns for Index, High, Low, Change

Indices

TORONTO Composite Table with columns for Index, High, Low, Change

STANDARD AND POORS

Table with columns for Index, High, Low, Change

STANDARD AND POORS

Table with columns for Index, High, Low, Change

STANDARD AND POORS

Table with columns for Index, High, Low, Change

STANDARD AND POORS

Table with columns for Index, High, Low, Change

NEW YORK

Table with columns for Stock, Price, Change

PARIS

Table with columns for Stock, Price, Change

CANADA

Table with columns for Stock, Price, Change

F.T. CROSSWORD PUZZLE No. 3,894. A price of £5 will be given to each of the senders of the first three correct solutions...

RACING BY DOMINIC WIGAN. Sparkling prospect for the Schwebbes. Morning Lee, Hippation, Silversmith, Dunnead's daughter...

ACROSS 1 Applause for grown-up writing (3, 4) 2 Pettifog given false start by useless notice (4-3) 3 Amusing democratic leader goes on record (5) 4 Half of bitter put in trifles (5, 4) 5 Druzen counsel given material that holds water (3, 4) 6 Beastly pen adopts the French way of writing (5) 7 Result of harping on one string (3) 8 Distracted Scot in the Channel is found nodding (8) 9 Gauble with one friend in particular (9) 10 One entered part of old Ireland to find head-dress (5) 11 Free for instance to return to rooftop (5) 12 Separate influence exercised on a dramatic role (4, 5) 13 Look at Opposition spokesman using make-up (3, 6) 14 English composer in heavenly state (5) 15 Girl on railway goes to bird sanctuary (7) 16 Eire NUT details train (7)

SPAIN Feb. 9 Per Cent Banco Bilbao 218 Banco Central 220 Banco Hispano 242 B. Ind. Cat. (1,000) 161 B. Ind. Madrileña (1,000) 210 B. Santander (250) 207 B. Vizcaya (1,000) 222 Banco Zargazona 218 B. Vizcaya 147 B. Vizcaya 182 Espanola Zinc 95 Gr. Velazquez (400) 185 Hidrola 64 Iberdrola 98 Petrolbr 106 Petrolcos 159

GERMANY Price DM. +/- or Div. Yld. Feb. 9

AUSTRALIA Price +/- or Div. Yld. Feb. 9

PARIS Price +/- or Div. Yld. Feb. 9

DOWN 1 Sleepy supporter sharing confidence with you and me (7) 2 Fool goes to desert to take holiday (2, 3, 5) SOLUTION AND WINNERS OF PUZZLE No. 3,888 Following are the winners of last Saturday's prize puzzle: Mr. J. Scott Robertson, 16 Woodvale Avenue, Giffnock, Glasgow G46. Mr. J. J. Sheridan, 36 Ravenswood Park, Northwood, Middx. H36 8PS. Mr. A. Spencer, 5 Harwill Crescent, Aspley, Nottingham.

TOKYO Price +/- or Div. Yld. Feb. 9

TOKYO Price +/- or Div. Yld. Feb. 9

AMSTERDAM Price +/- or Div. Yld. Feb. 9

STOCKHOLM Price +/- or Div. Yld. Feb. 9

BRASIL Price +/- or Div. Yld. Feb. 9

BRASIL Price +/- or Div. Yld. Feb. 9

MILAN Price +/- or Div. Yld. Feb. 9

BRUSSELS/LUXEMBOURG Price +/- or Div. Yld. Feb. 9

VIENNA Price +/- or Div. Yld. Feb. 9

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Reduced profits forecast by Ferodo

By Terry Dodsworth in Paris
FERODO, the French motor components group which has become the main vehicle for reorganising the country's electrical and electronic parts sector, is forecasting a small drop in profits for 1978.

This expected decline is due to sluggish business in its building and non-automotive industry activities, combined with the cost of reorganising part of its business.

Group sales, at Fr 4.8bn (\$1.1bn), were also depressed last year. They rose by 8 per cent on a strictly comparable basis, meaning that volume went up by 2 per cent, the company said.

Overseas business is continuing strongly. About 22 per cent of sales came last year from direct exports, and the overseas subsidiaries in Italy, Spain and Brazil pushed up sales to Fr 850m, some 18 per cent of total group turnover.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the efforts to reorganise should begin to pay off, it says.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

Steep half-year slide in Toyota Motor earnings

BY OUR FINANCIAL STAFF

TOYOTA MOTOR Company, the largest vehicle manufacturer in Japan and the third largest in the world, suffered a sharp decline in profits in the first half of its financial year as a result of the corrosive impact of the yen's strength on exports and increased labour costs.

Net profits of the company fell by 24 per cent from ¥56,750bn to ¥42,390bn (\$214m), although sales advanced by 7 per cent to ¥1.35 trillion (million million). Toyota is paying an unchanged interim dividend of ¥6.

Profits are likely to show a slight improvement in the second half, but the overall result for the year to June 30 will still be down on the ¥118.3bn net figure of last year.

Analysts had generally been expecting a less severe fall in the first six months' profits of Toyota Motor Company—Toyota

Motor Sales, the group's marketing arm had a 5 per cent lower result in its half-year to last September—and were expecting recurring profits (roughly equivalent to pre-tax income) to drop from ¥100.32bn to about ¥85bn instead of the ¥78.2bn actually recorded for the December half.

As illustrated by the steady price increases for the company's models in the U.S., its largest foreign market, Toyota has seen its export effort considerably dented by the strength of the yen.

Overall export sales fell by nearly 15 per cent in the first six months to 621,000 units and a further decline to around 600,000 is regarded as likely over the second half.

At home, however, Toyota was able to boost its sales by as much as 27 per cent to 817,000 units, although this level is

unlikely to be maintained for the rest of the year, with domestic competition becoming more intense as most Japanese carmakers see their export volume decline, a notable exception being Honda.

As the motor companies jostled to offset their export declines on the more buoyant home market, domestic registrations in December showed a rise of over 21 per cent, with Toyota managing a near 20 per cent increase in its own performance for the month.

Earlier this year, Mr. Seiji Kato, who is president of Toyota Motor Sales, predicted that Japan's vehicle output could show a decline in 1979 for the first time since 1974. Domestic sales, he added discouragingly, may grow by no more than mere 2 per cent after last year's 11 per cent, as the replacement boom tapers off.

ASL carries on as receivers move in

By James Forth in Sydney

THE FAILED Australian finance company, Associated Securities Limited (ASL) will continue operating for the time being while the receivers make an assessment of the company's position.

The receivers, Mr. G. F. Warhurst and Mr. A. H. E. Kewin, said yesterday that it was too early to tell whether creditors would be paid in full. Work had already started on the preparation of a statement of affairs as a matter of urgency.

The receivers disclosed that secured creditors, mainly debenture holders, were owed A\$198m (U.S.\$210m) while unsecured creditors were owed A\$53m. The group's shareholders' funds at the last balance sheet date totalled A\$1,740m.

ASL's collapse caused a stir in the money market, where ASL had raised more than A\$20m through commercial bills. About A\$20m were accepted by the company's bankers, the Commonwealth Trading Bank and the Bank of New South Wales, while other bills were accepted by merchant banks, much of which is secured by first-charge debentures or letters of credit.

Some of the bank-accepted paper is apparently guaranteed by the Royal Bank of Scotland which until late 1976, when it sold out to Ansett Transport Industries, was the major shareholder. The Royal Bank is a major creditor and holds at least A\$18.75m in second-charge debentures.

The New South Wales Attorney-General, Mr. Frank Walker, has called for an urgent report on the collapse.

Ansett, which triggered off the receivership with the news that it would no longer support ASL, revealed that it had already made a provision of A\$7.7m for diminution in the value of its investment in ASL at December 31. If the entire investment of A\$17.7m was written off, Ansett's net tangible asset backing would be reduced by about 20 cents.

The Ansett directors said that because of the receivership, it was no longer appropriate to pay a dividend of 4.8 per cent in ASL.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

Three months ending 30p in the afternoon. Three months ending 30p in the afternoon. Three months ending 30p in the afternoon.

CAB court ruling in favour of airline merger

BY JOHN WYLES IN NEW YORK

THE FIRST merger between two U.S. airlines since 1972 has been recommended by a Civil Aeronautics Board law judge in a ruling of great potential significance.

Judge Joseph Saunders is urging the Board to approve a combination between two relatively small regional airlines, Southern Airways and North Central Airlines. This is the first decision on three prospective mergers to be decided by the Board and may improve the prospects of the other two—Western and Continental Airlines and bids by Pan American World Airways, Eastern Airlines and Texas

International Airlines to acquire National Airlines. The Airline Deregulation Act passed by the Congress last November has changed the criteria by which prospective airline mergers must be judged. Before the Act, the prime consideration was an ill-defined notion of the "public interest" whereas now the principal focus must be the impact of the proposed merger on completion.

After conducting hearings in December, Judge Saunders has concluded that the merger of Southern into North Central would not be anti-competitive but would in fact sharpen competition for trunk carriers such

as Delta Airlines and United Airlines by creating a stronger single carrier. This is the nub of the arguments being advanced for the other merger requests and all have some credibility. Administrative law judge hearings on the Pan-Am, Eastern Airlines and Texas International bids for National have just been concluded while separate proceedings on Eastern's application get under way next week.

A final decision by the Board is expected in May but its attitude to the Southern-North Central recommendation will be dictated by the end of next month.

Sears has \$500m financing plan

BY STEWART FLEMING IN NEW YORK

SEARS ROEBUCK, the largest U.S. department store chain, is working on plans to sell some \$500m of short and medium-term notes direct to its customers and the public in order to open up a new source of financing.

The company said that it will be filing an initial application for approval of the proposal with the Securities and Exchange Commission for this amount. Details of how the securities will be sold have yet to be worked out but they would probably be notes of two to 10-year maturity in minimum denominations of \$1,000 at varying rates of interest, depending

on market conditions. The proposal is one of the most radical financing innovations in recent years and seems likely to stir up intense controversy and perhaps some concern in both the commercial banking and the securities industries.

Commercial banks and savings banks and institutions may fear that with its millions of customers and without the restrictions on interest rate ceilings, which banks are subject, Sears may tempt deposits away from financial institutions.

The securities industry, used to the fees it commands for floating such issues in the public

debt market, will be concerned that Sears may find it is able to raise short and medium-term funds more cheaply than through the markets.

Sears itself, however, does not see the proposal as an alternative to other financing vehicles but rather as an attempt to supplement existing sources with a new market for its debt. The closest comparison is with the methods the Federal Reserve uses to sell Treasury securities.

It is not clear how the debt will be marketed, assuming Sears gets SEC approval to proceed, but it has some 25m credit card customers who could receive notice of security sales with their bill.

The proposals will be watched closely, particularly by other corporations, such as big store groups, which have customer links which might allow them to follow suit.

Sears has been opening up new financing vehicles for itself in recent months through the initial sale of \$550m of receivables from its big credit card business to a banking consortium and through a \$150m Eurobond issue. Later this year it is expected to raise \$100m through a yen financing in Japan.

Standard Chartered and Union Bank may merge

BY OUR FINANCIAL STAFF

OFFICIALS OF BOTH Standard Chartered Bank and Union Bank Incorporated of California yesterday expressed hopes that the Federal Reserve Board would approve a \$372m agreed merger deal.

Last night, Mr. David Millar, a general manager of Standard Chartered, said that the application was being processed in the normal way: "There is no reason to think that it is proceeding other than normally," he said.

Wall Street speculation about the deal had caused a sharp

decline in the Union price on Thursday and at one point it was \$5 lower at just over \$24. However, the price had recovered by yesterday to about \$27 despite some Wall Street fears that the merger might not receive Fed approval.

I.G. Index Limited 01-351 3465. Three month Gold 246.0-249.2. 1. Tax-free trading on commodity futures. 2. The commodity futures market for the smaller investor.

NEW YORK, Feb. 9. Cocoa—March 160.50 (155.75), May 161.25 (156.50), July 162.00 (157.25), Sept. 162.75 (158.00), Nov. 163.50 (159.00), Jan. 164.25 (160.00), March 165.00 (161.00), May 165.75 (162.00), July 166.50 (163.00), Sept. 167.25 (164.00), Nov. 168.00 (165.00), Jan. 168.75 (166.00), March 169.50 (167.00), May 170.25 (168.00), July 171.00 (169.00), Sept. 171.75 (170.00), Nov. 172.50 (171.00), Jan. 173.25 (172.00), March 174.00 (173.00), May 174.75 (174.00), July 175.50 (175.00), Sept. 176.25 (176.00), Nov. 177.00 (177.00), Jan. 177.75 (178.00), March 178.50 (179.00), May 179.25 (180.00), July 180.00 (181.00), Sept. 180.75 (182.00), Nov. 181.50 (183.00), Jan. 182.25 (184.00), March 183.00 (185.00), May 183.75 (186.00), July 184.50 (187.00), Sept. 185.25 (188.00), Nov. 186.00 (189.00), Jan. 186.75 (190.00), March 187.50 (191.00), May 188.25 (192.00), July 189.00 (193.00), Sept. 189.75 (194.00), Nov. 190.50 (195.00), Jan. 191.25 (196.00), March 192.00 (197.00), May 192.75 (198.00), July 193.50 (199.00), Sept. 194.25 (200.00), Nov. 195.00 (201.00), Jan. 195.75 (202.00), March 196.50 (203.00), May 197.25 (204.00), July 198.00 (205.00), Sept. 198.75 (206.00), Nov. 199.50 (207.00), Jan. 200.25 (208.00), March 201.00 (209.00), May 201.75 (210.00), July 202.50 (211.00), Sept. 203.25 (212.00), Nov. 204.00 (213.00), Jan. 204.75 (214.00), March 205.50 (215.00), May 206.25 (216.00), July 207.00 (217.00), Sept. 207.75 (218.00), Nov. 208.50 (219.00), Jan. 209.25 (220.00), March 210.00 (221.00), May 210.75 (222.00), July 211.50 (223.00), Sept. 212.25 (224.00), Nov. 213.00 (225.00), Jan. 213.75 (226.00), March 214.50 (227.00), May 215.25 (228.00), July 216.00 (229.00), Sept. 216.75 (230.00), Nov. 217.50 (231.00), Jan. 218.00 (232.00), March 219.00 (233.00), May 220.50 (234.00), July 222.00 (235.00), Sept. 223.50 (236.00), Nov. 225.00 (237.00), Jan. 226.50 (238.00), March 228.00 (239.00), May 230.00 (240.00), July 232.00 (241.00), Sept. 234.50 (242.00), Nov. 237.00 (243.00), Jan. 240.00 (244.00), March 243.00 (245.00), May 246.00 (246.00), July 249.00 (247.00), Sept. 251.50 (248.00), Nov. 254.50 (249.00), Jan. 258.00 (250.00), March 261.00 (251.00), May 264.00 (252.00), July 267.00 (253.00), Sept. 269.50 (254.00), Nov. 272.50 (255.00), Jan. 275.50 (256.00), March 278.50 (257.00), May 281.50 (258.00), July 284.50 (259.00), Sept. 287.50 (260.00), Nov. 290.50 (261.00), Jan. 293.50 (262.00), March 296.50 (263.00), May 299.50 (264.00), July 302.50 (265.00), Sept. 305.50 (266.00), Nov. 308.50 (267.00), Jan. 311.50 (268.00), March 314.50 (269.00), May 317.50 (270.00), July 320.50 (271.00), Sept. 323.50 (272.00), Nov. 326.50 (273.00), Jan. 329.50 (274.00), March 332.50 (275.00), May 335.50 (276.00), July 338.50 (277.00), Sept. 341.50 (278.00), Nov. 344.50 (279.00), Jan. 347.50 (280.00), March 350.50 (281.00), May 353.50 (282.00), July 357.50 (283.00), Sept. 360.50 (284.00), Nov. 363.50 (285.00), Jan. 366.50 (286.00), March 369.50 (287.00), May 372.50 (288.00), July 375.50 (289.00), Sept. 378.50 (290.00), Nov. 381.50 (291.00), Jan. 384.50 (292.00), March 387.50 (293.00), May 390.50 (294.00), July 393.50 (295.00), Sept. 396.50 (296.00), Nov. 399.50 (297.00), Jan. 402.50 (298.00), March 405.50 (299.00), May 408.50 (300.00), July 411.50 (301.00), Sept. 414.50 (302.00), Nov. 417.50 (303.00), Jan. 420.50 (304.00), March 423.50 (305.00), May 426.50 (306.00), July 429.50 (307.00), Sept. 432.50 (308.00), Nov. 435.50 (309.00), Jan. 438.50 (310.00), March 441.50 (311.00), May 444.50 (312.00), July 447.50 (313.00), Sept. 450.50 (314.00), Nov. 453.50 (315.00), Jan. 456.50 (316.00), March 459.50 (317.00), May 462.50 (318.00), July 465.50 (319.00), Sept. 468.50 (320.00), Nov. 471.50 (321.00), Jan. 474.50 (322.00), March 477.50 (323.00), May 480.50 (324.00), July 483.50 (325.00), Sept. 486.50 (326.00), Nov. 489.50 (327.00), Jan. 492.50 (328.00), March 495.50 (329.00), May 498.50 (330.00), July 501.50 (331.00), Sept. 504.50 (332.00), Nov. 507.50 (333.00), Jan. 510.50 (334.00), March 513.50 (335.00), May 516.50 (336.00), July 519.50 (337.00), Sept. 522.50 (338.00), Nov. 525.50 (339.00), Jan. 528.50 (340.00), March 531.50 (341.00), May 534.50 (342.00), July 537.50 (343.00), Sept. 540.50 (344.00), Nov. 543.50 (345.00), Jan. 546.50 (346.00), March 549.50 (347.00), May 552.50 (348.00), July 555.50 (349.00), Sept. 558.50 (350.00), Nov. 561.50 (351.00), Jan. 564.50 (352.00), March 567.50 (353.00), May 570.50 (354.00), July 573.50 (355.00), Sept. 576.50 (356.00), Nov. 579.50 (357.00), Jan. 582.50 (358.00), March 585.50 (359.00), May 588.50 (360.00), July 591.50 (361.00), Sept. 594.50 (362.00), Nov. 597.50 (363.00), Jan. 600.50 (364.00), March 603.50 (365.00), May 606.50 (366.00), July 609.50 (367.00), Sept. 612.50 (368.00), Nov. 615.50 (369.00), Jan. 618.50 (370.00), March 621.50 (371.00), May 624.50 (372.00), July 627.50 (373.00), Sept. 630.50 (374.00), Nov. 633.50 (375.00), Jan. 636.50 (376.00), March 639.50 (377.00), May 642.50 (378.00), July 645.50 (379.00), Sept. 648.50 (380.00), Nov. 651.50 (381.00), Jan. 654.50 (382.00), March 657.50 (383.00), May 660.50 (384.00), July 663.50 (385.00), Sept. 666.50 (386.00), Nov. 669.50 (387.00), Jan. 672.50 (388.00), March 675.50 (389.00), May 678.50 (390.00), July 681.50 (391.00), Sept. 684.50 (392.00), Nov. 687.50 (393.00), Jan. 690.50 (394.00), March 693.50 (395.00), May 696.50 (396.00), July 699.50 (397.00), Sept. 702.50 (398.00), Nov. 705.50 (399.00), Jan. 708.50 (400.00), March 711.50 (401.00), May 714.50 (402.00), July 717.50 (403.00), Sept. 720.50 (404.00), Nov. 723.50 (405.00), Jan. 726.50 (406.00), March 729.50 (407.00), May 732.50 (408.00), July 735.50 (409.00), Sept. 738.50 (410.00), Nov. 741.50 (411.00), Jan. 744.50 (412.00), March 747.50 (413.00), May 750.50 (414.00), July 753.50 (415.00), Sept. 756.50 (416.00), Nov. 759.50 (417.00), Jan. 762.50 (418.00), March 765.50 (419.00), May 768.50 (420.00), July 771.50 (421.00), Sept. 774.50 (422.00), Nov. 777.50 (423.00), Jan. 780.50 (424.00), March 783.50 (425.00), May 786.50 (426.00), July 789.50 (427.00), Sept. 792.50 (428.00), Nov. 795.50 (429.00), Jan. 798.50 (430.00), March 801.50 (431.00), May 804.50 (432.00), July 807.50 (433.00), Sept. 810.50 (434.00), Nov. 813.50 (435.00), Jan. 816.50 (436.00), March 819.50 (437.00), May 822.50 (438.00), July 825.50 (439.00), Sept. 828.50 (440.00), Nov. 831.50 (441.00), Jan. 834.50 (442.00), March 837.50 (443.00), May 840.50 (444.00), July 843.50 (445.00), Sept. 846.50 (446.00), Nov. 849.50 (447.00), Jan. 852.50 (448.00), March 855.50 (449.00), May 858.50 (450.00), July 861.50 (451.00), Sept. 864.50 (452.00), Nov. 867.50 (453.00), Jan. 870.50 (454.00), March 873.50 (455.00), May 876.50 (456.00), July 879.50 (457.00), Sept. 882.50 (458.00), Nov. 885.50 (459.00), Jan. 888.50 (460.00), March 891.50 (461.00), May 894.50 (462.00), July 897.50 (463.00), Sept. 900.50 (464.00), Nov. 903.50 (465.00), Jan. 906.50 (466.00), March 909.50 (467.00), May 912.50 (468.00), July 915.50 (469.00), Sept. 918.50 (470.00), Nov. 921.50 (471.00), Jan. 924.50 (472.00), March 927.50 (473.00), May 930.50 (474.00), July 933.50 (475.00), Sept. 936.50 (476.00), Nov. 939.50 (477.00), Jan. 942.50 (478.00), March 945.50 (479.00), May 948.50 (480.00), July 951.50 (481.00), Sept. 954.50 (482.00), Nov. 957.50 (483.00), Jan. 960.50 (484.00), March 963.50 (485.00), May 966.50 (486.00), July 969.50 (487.00), Sept. 972.50 (488.00), Nov. 975.50 (489.00), Jan. 978.50 (490.00), March 981.50 (491.00), May 984.50 (492.00), July 987.50 (493.00), Sept. 990.50 (494.00), Nov. 993.50 (495.00), Jan. 996.50 (496.00), March 999.50 (497.00), May 1002.50 (498.00), July 1005.50 (499.00), Sept. 1008.50 (500.00), Nov. 1011.50 (501.00), Jan. 1014.50 (502.00), March 1017.50 (503.00), May 1020.50 (504.00), July 1023.50 (505.00), Sept. 1026.50 (506.00), Nov.





Financial Times Saturday February 10 1979

Table of financial data including stock prices, exchange rates, and company news. Columns include company names, share prices, and various financial metrics.

LOCAL AUTHORITY BOND TABLE. Table listing local authority bonds with columns for Authority, Interest rate, Term, and Price.

BUILDING SOCIETY RATES. Table listing building society rates for various locations and terms, including Abbey National, Aid to Thrift, Alliance, etc.

EXCHANGE CROSS RATES. Table showing exchange rates for various currencies including Pound Sterling, Deutsche Mark, Japanese Yen, etc.

CURRENCIES, MONEY and GOLD

Trading petered out in yesterday's foreign exchange market... The market was faced with a small excess of revenue transfers to the Exchequer over Government disbursements...

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent... The Treasury bill rate rose sharply at yesterday's tender by 0.193 per cent to 13.1154 per cent...

THE POUND SPOT

Table showing the Pound Spot market with columns for Date, Bid, Offer, and Close.

LONDON MONEY RATES

Table showing London Money Rates for various currencies and terms.

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement... February 8 (Nil) February 9 (Nil) February 10 (Nil)

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates for various currencies and terms.

EXCHANGES AND BULLION

Trading petered out in yesterday's foreign exchange market... The market was faced with a small excess of revenue transfers to the Exchequer over Government disbursements...

OTHER MARKETS

Table showing other markets including Argentina, Brazil, Denmark, Finland, Greece, Hong Kong, etc.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies including Sterling, Dollar, Yen, etc.

U.K. CONVERTIBLE STOCKS 9/2/79

Table showing U.K. Convertible Stocks with columns for Name and description, Size, Current price, Terms, Conversion dates, and Yield.

Table showing U.K. Convertible Stocks with columns for Name and description, Size, Current price, Terms, Conversion dates, and Yield.

Companies and Markets

Big demand exhausts long tap and enables Gilt-edged to stabilise while equities stage late improvement

Account Dealing Dates

First Declared Last Account Dealings... Jan 20 Feb 8 Feb 20 Feb 28 Feb 22 Feb 23 Mar 6 Feb 26 Mar 8 Mar 9 Mar 20

Exhaustion of the Government long tap stock, Treasury 12 1/2 per cent 2003/5, only hours after it was reactivated some seven points below the previous official selling level...

The market thus has a few more days to stabilise and perhaps tempt potential investors to utilise the funds believed to have built up during the downturn...

Equities, meanwhile, opened a shade firmer in continuation of Thursday's late rallying movement but came to a halt...

action: then a small inquiry for leading industrialists prompted a general improvement which left the FT 30-share index 1.8 higher on the day at 450.7, but a net 16.6 down on the week.

Selling of investment currency dried up yesterday and with cheap buyers an evidence, the premium managed to rally 1.5 to close at 98.7 per cent. Yesterday's SE conversion factor was 0.6555 (0.6557).

A total of 749 contracts in the Traded Option market brought the week's daily average to 844, the highest since the week-ending September 15. Coust. Goldfields were again active yesterday, recording 154 deals.

The strong bid defence to London and Midland Industrial's 89 1/2p per share cash offer and news that Comed had a stake in the company to 15 per cent lifted Caledonian Holdings 7 to a peak of 107p.

In anticipation of a rise in their base lending rates next week following the MLR increase, the major clearing banks recovered from a dull start to finish a shade firmer for choice. Lloyds, which are due to start the dividend season next Friday, closed 2 dearer at 280p, after 27 1/2, while Midland ended the same amount better at 350p.

A disappointing set of first-quarter figures from its Canadian subsidiary Reed Steenhouse depressed Lloyds broker Seahorse Holdings which touched a 1978-79 low of 81p before closing a net 6 down at 82p. Elsewhere in insurance, Minet declined 3 to 181p, while Phoenix, 218p, and Equity and Law, 184p, lost 4 and 3 1/2p respectively.

404p, while United Scientific rallied 3 to 264p. On the other hand, Allied Insulators encountered sporadic selling and eased 4 to 58p. Murhead gave up a similar amount to 218p while, in smaller-priced issues, Clifford and Seal eased 3 to 28p.

Leading Engineers extended investment recommendation helped Reckitt and Colman improve 3 to 445p, while Beecham and Glaxo closed similarly dearer at 555p and 465p respectively. Elsewhere, Channel Tunnel rose 7 to 62p, after 65p, on a 12p speculative buying fuelled by reports that detailed planning for a 580m single track tunnel is to be conducted by British Rail with a view to a possible opening in 1980.

Small buying lifted recently depressed Motor Distributors. Lack of follow-through demand restricted gains to a penny or so, but British Car Auctions rose 1/2 to 63 1/2p. In contrast, 245 1/2p Plaxton rose 4 to 121p following favourable Press comment. Despite numerous BL plants rejecting the strike call.

International Thomson continued to benefit from the group's North Sea oil interests and rose 1 1/2 for a gain on the week of 4 1/2 to 331p. Oil interests were also good for a rise of 4 to 192p in Associated Newspapers.

The Dutch group Wereldhave's discussions with Carera Properties the Canadian holding company that controls Trizec, English Property Corporation's interest in Canada, put a slight damper on possibilities of a counter-bid for EPC which eased 1/2 to 47 1/2p compared with Wereldhave's 46p per share offering. Other Properties encountered a reasonable end-of-account trade and, after a slightly easier opening, ended on a quietly firm note.

hardened a penny to 116p, and, in response to Press comment, Norfolk Capital added a like amount to 39p.

Channel Tunnel firm Miscellaneous Industrial leaders regained some composure after the recent sharp falls and closed the week mixed. An investment recommendation helped Reckitt and Colman improve 3 to 445p, while Beecham and Glaxo closed similarly dearer at 555p and 465p respectively.

Elsewhere, Channel Tunnel rose 7 to 62p, after 65p, on a 12p speculative buying fuelled by reports that detailed planning for a 580m single track tunnel is to be conducted by British Rail with a view to a possible opening in 1980.

Small buying lifted recently depressed Motor Distributors. Lack of follow-through demand restricted gains to a penny or so, but British Car Auctions rose 1/2 to 63 1/2p. In contrast, 245 1/2p Plaxton rose 4 to 121p following favourable Press comment.

International Thomson continued to benefit from the group's North Sea oil interests and rose 1 1/2 for a gain on the week of 4 1/2 to 331p. Oil interests were also good for a rise of 4 to 192p in Associated Newspapers.

Following the announcement late on Thursday of the 110p cash per share bid for Ash Spinning from John Bright, while Bright shed a penny to 33p. Elsewhere in featureless Textiles, Nottingham Manufacturing firmed a penny to 129p ahead of the annual results due on Tuesday. Small and Widmas added to a 1978/79 peak of 62p, but otherwise, overall yarn manufacturers Richards eased that amount to 20p following the chairman's gloomy remarks at the AGM.

Gold's weak A heavy fall in the bullion price in overnight U.S. markets and the resultant weakness in London bullion was finally 57.50 down at \$393 per ounce although still \$11.825 higher over the week—prompted losses in South African Golds for the third successive day. Substantial overnight American selling saw prices marked down at the outset and they continued to lose ground following Cape Continental and London offerings.

A modest rally developed in the early afternoon but overall sales were sufficient to lower the Gold Mines index by 4.6 to 174.0, thereby reducing the gap to the week to 2.1. The ex-premium index slipped 3.2 to 118.3. South African Golds fell 1 1/2 to 151 1/2 and Middle Wits 5 to 240p.

Coal producers enjoyed a good week on continuing hopes that the freeze on Iranian oil exports to South Africa will boost domestic consumption. Although 15 cheaper yesterday at 765p, "Alcoa" remained 65 better over the longer period, while Transvaal Consolidated Land rose 1 more to a 1978-79 high of 115 1/2 for a week's gain of 1 1/2.

Financials Wereldhave's discussions with Carera Properties the Canadian holding company that controls Trizec, English Property Corporation's interest in Canada, put a slight damper on possibilities of a counter-bid for EPC which eased 1/2 to 47 1/2p compared with Wereldhave's 46p per share offering.

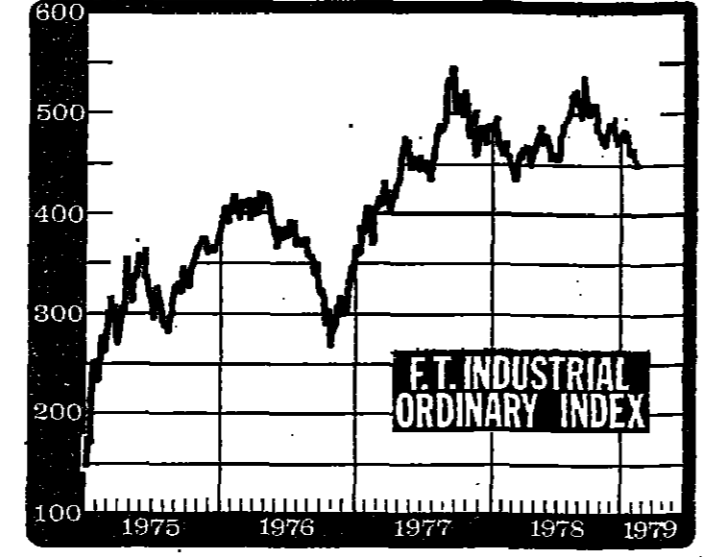
Following the announcement late on Thursday of the 110p cash per share bid for Ash Spinning from John Bright, while Bright shed a penny to 33p. Elsewhere in featureless Textiles, Nottingham Manufacturing firmed a penny to 129p ahead of the annual results due on Tuesday. Small and Widmas added to a 1978/79 peak of 62p, but otherwise, overall yarn manufacturers Richards eased that amount to 20p following the chairman's gloomy remarks at the AGM.

Gold's weak A heavy fall in the bullion price in overnight U.S. markets and the resultant weakness in London bullion was finally 57.50 down at \$393 per ounce although still \$11.825 higher over the week—prompted losses in South African Golds for the third successive day. Substantial overnight American selling saw prices marked down at the outset and they continued to lose ground following Cape Continental and London offerings.

A modest rally developed in the early afternoon but overall sales were sufficient to lower the Gold Mines index by 4.6 to 174.0, thereby reducing the gap to the week to 2.1. The ex-premium index slipped 3.2 to 118.3. South African Golds fell 1 1/2 to 151 1/2 and Middle Wits 5 to 240p.

Coal producers enjoyed a good week on continuing hopes that the freeze on Iranian oil exports to South Africa will boost domestic consumption. Although 15 cheaper yesterday at 765p, "Alcoa" remained 65 better over the longer period, while Transvaal Consolidated Land rose 1 more to a 1978-79 high of 115 1/2 for a week's gain of 1 1/2.

Financials Wereldhave's discussions with Carera Properties the Canadian holding company that controls Trizec, English Property Corporation's interest in Canada, put a slight damper on possibilities of a counter-bid for EPC which eased 1/2 to 47 1/2p compared with Wereldhave's 46p per share offering.



FINANCIAL TIMES STOCK INDICES

Table with columns for indices: Government Secs., Fixed Interest, Industrial, Gold Mines, etc. Values are listed for Feb 9, Feb 8, Feb 7, Feb 6, Feb 5, and a year ago.

HIGHS AND LOWS S.E. ACTIVITY

Table showing High and Low values for various indices and S.E. Activity for Feb 9 and Feb 8.

OPTIONS

DEALING DATES: First Last Last Last... Dealings... Settlement... For share indications see end of Share Information Service.

NEW HIGHS AND LOWS FOR 1978/9

Table listing new highs and lows for various companies in 1978/9, including names like BHP, Anglo American, etc.

RISES AND FALLS

Table showing rises and falls for various stock categories: British Funds, Corporate, Industrial, etc.

YESTERDAY—ACTIVE STOCKS

Table listing active stocks from yesterday with columns for stock name, denomination, closing price, and change.

ON THE WEEK—

Table showing stock performance over the week, including stock names, denominations, and price changes.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions, including A.B.N. Bank, Allied Irish Banks, etc.

LONDON TRADED OPTIONS

Table showing London traded options for various stocks, including columns for option type, price, and volume.

RECENT ISSUES

Table listing recent issues of stocks, including company names, issue amounts, and dates.

FIXED INTEREST STOCKS

Table listing fixed interest stocks, including company names, interest rates, and terms.

"RIGHTS" OFFERS

Table listing rights offers for various companies, including company names, offer amounts, and dates.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

EQUITY GROUPS & SUB-SECTIONS

Large table showing equity groups and sub-sections with columns for index numbers, dates, and values.

FIXED INTEREST PRICE INDICES

Table showing fixed interest price indices with columns for index numbers, dates, and values.

FIXED INTEREST YIELDS

Table showing fixed interest yields with columns for index numbers, dates, and values.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst, Allied Finance Group, and others, including their names, managers, and contact information.

Table listing insurance and property bonds companies like Abbey Life Assurance Co. Ltd., The London & Manchester Ass. Co., and others, with details on their services and contact info.

Table listing various financial services and trusts including Pearl Trust Managers Ltd., Sava & Propper Securities, and others, detailing their offerings and contact details.

Table listing offshore and overseas funds such as Alexander Fund, Keyser Ullmann Ltd., and others, providing information on fund types and performance.

Table titled 'INSURANCE BASE RATES' showing rates for property growth and other insurance services.

Table titled 'CORAL INDEX: 450-455' providing index values for various categories.

Table titled 'INSURANCE BASE RATES' showing rates for property growth and other insurance services.

Table titled 'INSURANCE BASE RATES' showing rates for property growth and other insurance services.

FT SHARE INFORMATION SERVICE

Wall Street U.K. Equities U.K. Gilts For our latest views and PIMS reports write to R.K. Timberlake, 19 Hanover Square, London W1A 1DU.

BRITISH FUNDS

Table of British Funds including 'Shorts' (Lives up to Five Years), Five to Fifteen Years, and Over Fifteen Years. Columns include Stock, Price, and Yield.

INTERNATIONAL BANK

101 1794 (Five Stock 77-82) 8014 (+1.62) 12.03

CORPORATION LOANS

Table of Corporation Loans with columns for Stock, Price, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Stock, Price, and Yield.

LOANS

Table of Loans with columns for Stock, Price, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Stock, Price, and Yield.

BONDS & RAILS—Cont.

Table of Bonds & Rails with columns for Stock, Price, and Yield.

AMERICANS

Table of American Stocks with columns for Stock, Price, and Yield.

CANADIANS

Table of Canadian Stocks with columns for Stock, Price, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Stock, Price, and Yield.

BANKS & HP—Continued

Table of Banks & HP with columns for Stock, Price, and Yield.

HIRE PURCHASE, etc.

Table of Hire Purchase, etc. with columns for Stock, Price, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Stock, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Stock, Price, and Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics with columns for Stock, Price, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Stock, Price, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Stock, Price, and Yield.

ENGINEERING—Continued

Table of Engineering with columns for Stock, Price, and Yield.

INDUSTRIALS (Misc.)

Table of Industrials (Misc.) with columns for Stock, Price, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Stock, Price, and Yield.

INDUSTRIALS (Misc.)

Table of Industrials (Misc.) with columns for Stock, Price, and Yield.

FINANCIAL TIMES

Head Office: Bracken House, 10, Cannon Street, London EC4A 3BY. Tel: Editorial 8863412, 883897. Advertising: 885033. Telegrams: Financim, London. Telephone: 01-248 8000.

EDITORIAL OFFICES

London: Bracken House, 10, Cannon Street, London EC4A 3BY. Tel: 8863412, 883897. New York: 75 Rockefeller Plaza, N.Y. 10019. Tel: 647-8000.

ADVERTISING OFFICES

London: Bracken House, 10, Cannon Street, London EC4A 3BY. Tel: 8863412, 883897. New York: 75 Rockefeller Plaza, N.Y. 10019. Tel: 647-8000.

SUBSCRIPTIONS

Copies obtainable from newspapers and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics with columns for Stock, Price, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Stock, Price, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Stock, Price, and Yield.

INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Airways, British Petroleum, and various manufacturing firms.

INSURANCE—Continued

Table of insurance stock prices including companies like British Overseas Airways, British Petroleum, and various insurance providers.

PROPERTY—Continued

Table of property stock prices including companies like British Overseas Airways, British Petroleum, and various real estate related firms.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Overseas Airways, British Petroleum, and various investment funds.

FINANCE, LAND—Continued

Table of finance and land stock prices including companies like British Overseas Airways, British Petroleum, and various financial institutions.

Stewart Wrightson International Insurance Brokers for USA & Canada. Includes contact information and a small graphic.

MINES—Continued

Table of Australian mine stock prices including companies like Anglo American, Anglo Coal, and various mining firms.

TINS

Table of tin stock prices including companies like Anglo American, Anglo Coal, and various tin mining firms.

COPPER

Table of copper stock prices including companies like Anglo American, Anglo Coal, and various copper mining firms.

MISCELLANEOUS

Table of miscellaneous stock prices including companies like Anglo American, Anglo Coal, and various other firms.

NOTES

Notes section providing information about interest rates and financial instruments.

TEAS

Table of tea stock prices including companies like Anglo American, Anglo Coal, and various tea trading firms.

INDIA AND BANGLADESH

Table of India and Bangladesh stock prices including companies like Anglo American, Anglo Coal, and various firms from these regions.

SRI LANKA

Table of Sri Lanka stock prices including companies like Anglo American, Anglo Coal, and various firms from Sri Lanka.

AFRICA

Table of Africa stock prices including companies like Anglo American, Anglo Coal, and various firms from Africa.

MINES

Table of mine stock prices including companies like Anglo American, Anglo Coal, and various mining firms.

CENTRAL RAND

Table of Central Rand stock prices including companies like Anglo American, Anglo Coal, and various firms from the Central Rand region.

EASTERN RAND

Table of Eastern Rand stock prices including companies like Anglo American, Anglo Coal, and various firms from the Eastern Rand region.

FAR WEST RAND

Table of Far West Rand stock prices including companies like Anglo American, Anglo Coal, and various firms from the Far West Rand region.

O.F.S.

Table of O.F.S. stock prices including companies like Anglo American, Anglo Coal, and various firms from the O.F.S. region.

FINANCE

Table of finance stock prices including companies like Anglo American, Anglo Coal, and various financial institutions.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices including companies like Anglo American, Anglo Coal, and various firms from the diamond and platinum industry.

CENTRAL AFRICAN

Table of Central African stock prices including companies like Anglo American, Anglo Coal, and various firms from the Central African region.

INSURANCE

Table of insurance stock prices including companies like Anglo American, Anglo Coal, and various insurance providers.

PROPERTY

Table of property stock prices including companies like Anglo American, Anglo Coal, and various real estate related firms.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including companies like Anglo American, Anglo Coal, and various investment funds.

FINANCE, LAND, ETC.

Table of finance, land, and other stock prices including companies like Anglo American, Anglo Coal, and various financial institutions.

FINANCE

Table of finance stock prices including companies like Anglo American, Anglo Coal, and various financial institutions.

REGIONAL MARKETS

Table of regional market stock prices including companies like Anglo American, Anglo Coal, and various firms from different regions.

OPTIONS 3-month Call Rates

Table of 3-month call option rates including companies like Anglo American, Anglo Coal, and various firms.

**Quicker than you think**

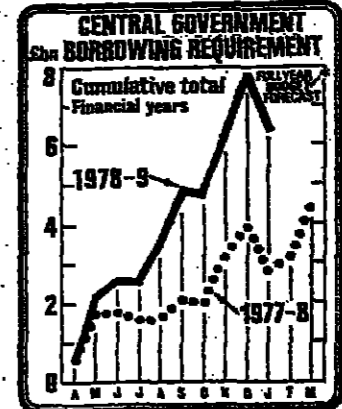
**AIR ANGLIA**  
Reservations: Norwich 106031 44288

**STRATHSPRI**  
100% Highland Malt Whisky  
"Toshaig E. Sma"  
"U. Misneachd"

## THE LEX COLUMN

# When the leaders are lagging

Index rose 1.8 to 450.7



A late rally in the equity market yesterday left the F.T. 30-Share Index just on the right side of 450, but the week's loss of 16.6 points was still the worst since last October. Equity prices have been following the lead of gilt-edged and edging downwards under pressure from rising inflation and interest rates—but only with considerable reluctance. Blue chip shares are giving a slightly misleading impression here, for the second liners have been achieving considerable relative strength in recent months. So whereas the 30-Share Index has fallen by 16 per cent from its 1978 high, reached on September 14, the All-Share index (with 750 constituents) has dropped only 9 per cent from the all-time peak reached on the same day.

So far this year the F.T. Government Securities Index has fallen 5.7 per cent, the 30-Share by 4.3 per cent. But the F.T. Actuaries Industrial Group Index, which contains a wide spread of second liners, has lost only about 2 per cent, while the All-Share Index—boosted by the strongly performing banks and oils—has just about maintained its end-1978 level.

The big investment institutions remain flush with cash—though some has gone into the gilt-edged market this week—and they are reluctant to sell equities for fear of being unable to get back in again at the bottom of the market. This applies especially to the second line stocks where many institutions have been laboriously building up stakes in this market. Any selling pressure—and it has been modest—is disproportionately affecting the leaders.

So far, company news has remained fairly positive (the market ignored a vaguely worded ICI warning on the impact of the haulage strike this week) and the dividend rise of a tenth from Imperial Group was important in sustaining confidence. Still, there is a key group of high yielding industrial blue chips in the 30-Share Index, including Courtaulds, Dunlop, CMI, Guest Keen, P and O, Turner and Newall, which returned between 10 and 14 per cent. There must be a danger that a squeeze on the corporate sector would cause companies like these to follow the example of Tate and Lyle and cut their dividends—in which case many smaller companies might follow suit. But for quoted companies as a whole dividends have shown growth of around 12 per cent

tion colling by the end of the first quarter, and suggests that production is likely to be more of a constraint than demand in the international market over the next five years. Meanwhile, its realised prices are very close to the listed price level, which was increased by 8 per cent last autumn.

Capital spending on manufacturing equipment is rising substantially, and Alcan is confident of its ability to finance this without help from its Canadian parent. Short term trends in profits are obviously volatile, but a yield of 10 per cent at 148p could have appeal for the long haul.

**Gilt-edged**

When the long tap was declared exhausted yesterday morning it was not unanticipated that it had been cleared out of the way only in order to be replaced immediately. There was widespread relief when no new stock was announced, and the market managed to close about 1 point higher, helped by the news that £1.5bn of Government borrowing had been repaid in calendar January.

Net sales of the two tapes—the short-term was also supplied this morning—probably to net £400m on Thursday and Friday together. So there is no immediate pressure on the Government broker to get more funding done quickly, particularly as the repayment of Government borrowing like the tap sales, should have had some favourable impact on the money supply in the banking month to mid-February. The very high yield on short-dated issues should prevent the downward drift in long yields that the absence of a tap might otherwise provoke. The market ends this week steady at low levels with some chance of finding real stability, but it is unlikely to remain untripped for long.

**Alcan (UK)**

Alcan (UK) has paid its promised dividend, but the trading climate in its first year as an independently listed company has been very rough indeed. Profits have slumped from a peak of £24.7m to £11m pre-tax, and on a current cost basis there is a small loss.

The main feature has been aggressive import competition, triggered by high stock levels and the weakness of the dollar. Alcan reckons that importers increased their share of the UK market for rolled products over the year. Its realised prices were down by 5 per cent or more for most of the period. In addition, Alcan has been rationalising its fabricating activities, at a cost to profits of maybe £2m. And its primary output was hit by equipment failures and poor productivity at the Lynmouth smelter during the final quarter, partly as a result of labour difficulties.

The prospects for this year are more rosy. Ingot stocks in the free-world have fallen back towards more normal levels, and output generally is rising towards effective capacity. Alcan expects to be close to its produc-

**Caledonian Holdings**

The offer of 80p a share from London and Midland Industries is "clearly desirable" according to the Board of Caledonian Holdings. Inevitably, in pushing forward a vigorous defence Caledonian further increased the bluster of Stenhouse Holdings, which sold the company to the public for just 65p a share last month. What Stenhouse did not realise was the extent of the fashionable appeal of the home improvement division, which nearly tripled profits in the first quarter and has the bidders clumping like flies

# Wholesale prices blow to Carter

BY DAVID BUCHAN IN WASHINGTON

THE CARTER Administration received the worst setback so far to its anti-inflation programme when wholesale prices shot up by 1.3 per cent in January.

The rise was the biggest monthly increase since November 1974. Beef and petrol price rises led the sharp jump. But for the first time in more than four years, all major categories in the finished goods wholesale index rose by 1 per cent or more.

The White House Press Secretary, Mr. Jody Powell, said the January figures undermined the importance of Congress holding down public spending and the budget deficit.

Mr. Alfred Kahn, the President's inflation adviser, told a Senate committee that the price increases last month were "obviously widespread and clearly troublesome." The wholesale index is an indicator of future consumer price trends.

Mr. Kahn had been initially quoted, wrongly, his officials claimed, as calling the January figures "a catastrophe." Treasury officials, while not minimising the bad inflation news, privately commented that the Presidential adviser should guard his words more carefully.

The day before Mr. Michael Blumenthal, the Treasury Secretary, clashed with his energy cabinet colleague, Mr.

James Schlesinger, whose gloomy oil forecasts this week were considered by the Treasury to have wantonly damaged the dollar on international exchanges.

The issue, therefore, of who speaks for Administration economic policy has emerged again, with Mr. Blumenthal—who thought that after earlier battles President Carter had made him the overall co-ordinator of economic policy or pronouncements—weighing in on those of his colleagues whom he feels give inadequate consideration to the ramifications of their public remarks.

The White House yesterday expressed displeasure at the exposure of the rift between the treasury and energy sec-

retaries to the departments concerned. Earlier this week it warned officials of the National Security Council and the State Department to stop sniping at each other in the foreign policy field.

Mr. Kahn told senators yesterday that, though beef and petrol prices had been expected to rise in January, it also appeared that companies were putting into effect rather early price rises allowed under the President's price guidelines.

Nevertheless, he claimed business was taking the guidelines seriously, with about 200 of the 500 largest U.S. companies informing the council on wage and price stability that they would comply.

## MAN OF THE WEEK

# Marxist but no wrecker

BY ARTHUR SMITH

DEREK ROBINSON, convenor of the 20,000 workers who walked out of B.L. Cars Longbridge plant this week, is a man of contradictions—a term he often uses himself as a convinced Marxist and member of the Communist Party.

A toolmaker by training, he has spurned the elitism often associated with skilled men and gained broad-based shop floor support. Although committed to a different form of society he is not a "wrecker." Management regards him as a powerful but responsible leader. "Robinson has the authority to exert a moderating influence on what is a potentially explosive work force," according to one top executive.



Derek Robinson "Management has broken its word."

Against such a background, "Robbo", as he is known to the men, provides that vital spark of personality and character. The son of a Black Country cane maker, he is physically imposing.

Under the glare of the TV lights he often appears nervous. But on Wednesday in front of his own workers in the packed Coston Park, the traditional location for mass meetings, Robinson was in command. From the moment the workers began streaming out of the gates on to the park, carrying banners and exchanging quips, there was never any doubt about the decision. Robinson rehearsed the arguments, poked fun at management, and duly received overwhelming support for an immediate walk-out.

The scene provided a dramatic contrast with August 1977—the "We Want to Work" protest—when nearly 1,000 workers marched on the stewards office demanding Robinson's resignation. With a bravery that amazed fellow stewards, Robinson strode into the middle of an angry mob calling for his blood and argued the case. The cause of that dispute was a parity pay package similar to the one now on offer. Even though the shop floor voted 2 to 1 for a strike, the stewards acknowledge the division and called off the action.

So what has happened to create the apparent unity this time? "The betrayal of trust," says Mr. Robinson. "We may be working people but we have a code of honesty. We entered into an agreement to shed labour, and several thousand jobs have been lost in Longbridge over the last 12 months, as the price of a pay increase. Management has broken its word."

Mr. Robinson, who has worked at Longbridge for 37 years since joining as a 14-year-old apprentice, maintains that since the appointment of Mr. Michael Edwardes as chairman of B.L. confidence in management has fallen. "There is a different attitude towards working people. Management is arrogant."

But why strike and place jobs at risk? Was this an example of Robinson's temper? He chuckled: "I could hardly exert that sort of influence. Management has spelt out the risks but workers believe the cut-backs will come anyway. They believe Edwardes has been put in to wield the axe. Since there is no dialogue with management we have no alternative but to respond with the language of force."

If, as seems likely, the intention of the walk-out was more tactical than strategic—to jolt management into action and prove the stewards could still command rank and file support—it could backfire. Rather than the short, sharp stoppage for which the stewards might have hoped, they now look set for a lengthy dispute.

Last night with other B.L. plants voting not to support the union leaders' call for a total stoppage of all 100,000 manual workers, the Longbridge decision was looking increasingly exposed. Mr. Robinson appeared untruffed: "Attitudes are hardening and there is a wonderful spirit among the workers." Leadership can be lonely, even at the head of a 20,000-strong workforce.

# Stock Exchange rule book sent to court

BY NICHOLAS COLCHESTER

THE Stock Exchange rule book has been referred to the Restrictive Practices Court, the Office of Fair Trading announced yesterday.

That follows the Government's rejection of an appeal by the Stock Exchange, supported by the Bank of England, that the exchange should be put outside the scope of the Restrictive Trade Practices Act.

The Stock Exchange will have to justify the whole way in which British securities are traded. That lengthy process will culminate in a court hearing late next year or in early 1981.

In particular, the exchange will have to defend the rules that brokers charge a fixed scale of commission, that jobbers (dealers) may not act as brokers, and that brokers may not deal directly with other brokers.

Mr. Nicholas Goodison, chairman of the Stock Exchange, was dismayed that his appeal for exemption from that process had been rejected by Ministers "with virtually no consultation." He called the move "a political decision taken in too much of a hurry."

Mr. Goodison had written to Mr. Roy Hattersley, Prices Secretary, in October, asking for exemption. He was supported by Mr. Gordon Richardson, Governor of the Bank of England, who took up the matter with the Treasury.

Mr. Goodison wrote: "Our concern is that the legislation and its procedures, which have not been tested for 12 years and not at all in the field of services, should be applied to the Stock Exchange with all the incalculable consequences which can flow from the narrowness of the terms by which the court

must approach its task."

The process leading to yesterday's development began in 1973, when the Fair Trading Act provided for registering restrictive practices in services.

Exemption was organised for certain trade agreements, for instance, that between the building societies, but not for the Stock Exchange. Thus, when services were included in the law in 1976, it became inevitable that the Stock Exchange would have to justify, or abandon, its rule book.

Any member of the exchange has 28 days to object to the court that he does not wish to be represented by the exchange.

Failing that, the exchange will be served a notice of reference, and will then have 14 days to announce that it wishes to contest the case. Subsequently, it will have three months in which to present the court with its first written pleading.

# Chemical groups plan big price rise

By Sue Cameron, Chemicals Correspondent

THE BIG chemical companies are preparing to introduce further large price increases on many of their products following dramatic rises this week in spot market prices for naphtha, a basic petrochemical feedstock.

At the end of last week, naphtha spot prices stood at about \$225 a tonne. By Thursday they were up to \$275 a tonne, while yesterday they reached \$305 a tonne. By far the larger part of the market is covered by contracts, but spot prices of this order will inevitably have an effect on lower, fixed contract prices for the second quarter of the year. First quarter contract prices are thought to be about \$190 a tonne but in the industry, it was said yesterday that they could well rise to as much as \$250 a tonne in the following three months.

Imperial Chemical Industries has this week withdrawn all outstanding quotations to its customers—in other words, those who have not accepted ICI price quotations have now lost the opportunity to do so.

Shell International Chemicals said yesterday that it was raising its prices—particularly polymer prices—by 20 to 30 per cent. The price rise partly reflected this week's increases in naphtha spot prices.

The halting of all oil exports from Iran is the main reason for the sudden rise in spot naphtha prices. It has come on top of a series of increases caused by heavier demand for gasoline, which is also made from naphtha, a shortage of light crudes from which naphtha is produced in the greatest quantities and Saudi Arabia's decision to place restrictions on the export of light crudes.

# State probe threatens NY insurance exchange

BY DAVID LASCELLES IN NEW YORK

A LAST MINUTE challenge has been made against New York's proposed Insurance Exchange, which, if successful, would seriously delay its launch or even stop it altogether.

The challenge is from the industrial insurance committee of the New York state senate, which objects to parts of the exchange's proposed constitution.

Unless these are changed, it threatens to prevent the enactment and enabling legislation from becoming law by challenging it before next Thursday's deadline. If the committee fails to act, the legislation will automatically pass on to the statute books on that date.

Senator John Dunne, the committee chairman said yesterday that there were four main objections "which provide the

basis for considering rejection of the documents."

First, the provision that only U.S. citizens can become board members. He said: "We find this offensive. If the Insurance Exchange is to become an international market place, it is improper to say only Americans can run it. It's like saying: 'We want your money but we don't want you to tell us how to run it.'"

Second, the committee wants to extend from 45 to 150 days the period in which the exchange can be organised once the laws are passed.

Third, Mr. Dunne said he believed the exchange's security fund should be organised more along Lloyd's lines, where members have unlimited liability. Under the proposed

New York constitution members' liability is limited to the capital they put up, meaning Mr. Dunne said that the exchange would lack a "credible security system."

Fourth, composition of the governing board should be altered to reduce influence of members elected by the exchange's syndicates.

The Senate Insurance Committee conveyed its objections, and proposed changes to Governor Hugh Carey of New York and Mr. Albert Lewis, state insurance superintendent, as well as the Constitution Drafting Committee, two weeks ago.

Mr. Dunne said it had had no satisfactory reply since. "We believe the points should be corrected before the legislation goes through."

# British Steel 'faces big fight' at Corby

BY CHRISTIAN TYLER AND ROY HODSON

BRITISH STEEL Corporation faces a big fight in trying to close iron and steelmaking at Corby, Mr. Bill Sims, chairman of the TUC steel industry committee said last night.

Although the unions have yet to take stock of BSC's decision, spelled out to the workforce yesterday, they are setting up what Mr. Sims called a "militant TUC steel committee" at the works to liaise with the national unions.

The closure is the biggest rationalisation of iron and steel production yet attempted by the corporation. That became clear yesterday when union officials were given the details. More than 7,000 jobs are at risk—5,500 from the plant, and according to the unions, another

2,000 from local industries dependent on it.

Meanwhile, workers at the other threatened plant, Bilston in Staffordshire, were yesterday interpreting as "hopeful" BSC's decision to give one-year's notice of compulsory shut down on March 8 unless closure had been voluntarily negotiated by then.

They are using the breathing space to press for a public inquiry under an independent chairman to hear the cases of both sides. This idea was rejected by BSC on Thursday.

Mr. Dennis Turner, leader of the action committee, said the 2,300 workers would abide by the decision of an inquiry.

Mr. Sims said the executive of his union, the Iron and Steel Trades' Confederation, might

reach a final decision on whether to fight the Bilston closure in two weeks. He was writing to Viscount St. Edmund Davison, the EEC Commissioner, to ask for Community funds for a Q-BOP steelmaking vessel—a technology relatively untried in the UK—to replace Bilston's obsolete open-hearth furnaces.

The Corby action committee said last night the men would not be prepared to make tubes from steel brought in from outside.

British Steel is proposing to send steel from Teesside to Corby and claims it will save £40m a year by the operation even after transport costs are taken into account.

Mr. Bill Holmwood, local organiser of the Iron and Steel

Trades' Confederation expressed the defiant mood of the Corby workers last night after they had been told of the proposals.

"There is no chance of us consulting with BSC on this one," he said. "If they attempt to bring in steel we will stop it."

An inter-union committee is to look at the possibility of forming a workers' co-operative to take over the iron and steel-making section of Corby plant which is at risk.

Feelings are running high in the town (population 56,000) which is dominated by the steelworks. Sir Geoffrey de Freitas, Corby's Labour MP will speak at a meeting in the town today and a campaign to fight the proposed cuts will be discussed.

News Analysis—Page 3

Continued from Page 1

# Heavy selling of gilts

There has been a change in the pattern of borrowing this year, with central government borrowing likely to exceed that for the whole public sector, since nationalised industries and local authorities have been net repayers of debt.

In contrast to earlier in the financial year, consolidated fund revenue has now more or less caught up with the Budget projection of a 10 per cent rise over the whole of 1978-79.

Continued from Page 1

# Water workers

Industrial action by members of the National Union of Public Employees in Scotland and Wales threatens to prevent the devolution referendum going ahead on March 1.

In North Wales, school caretakers voted yesterday to close schools to prevent their being used as polling stations, while their counterparts in Scotland have asked the union's executive council for permission to do the same.

## Weather

**UK TODAY**

RAIN, sleet or snow in central and southern England and Wales. Dry with sunny spells in north.

London, E. Anglia, S. England, Midlands, Wales

Cloudy with rain or sleet, turning to snow on high ground. Max. 8C (37F).

E., N. England, Isle of Man, Lakes, N. Ireland

Cloudy, mostly dry. Max. 3C (37F).

Channel Islands

Cloudy, occasional rain. Max. 6C (43F).

Islands

Mostly dry, sunny spells. Max. 9C (37F).

Dublin

Mostly dry and cold with night frosts. Rain or snow in England and Wales.

## WORLDWIDE

	Y'day	Today	Y'day	Today	
	midday	midday	midday	midday	
Algeria	15	15	London	8	8
Athens	15	15	Los Ang.	18	18
Bombay	27	27	Luxemb.	1	1
Buenos Aires	12	12	Madrid	1	1
Calcutta	27	27	Mexico	18	18
Cairo	18	18	Paris	15	15
Canton	18	18	Rome	15	15
Cebu	27	27	Sao Paulo	18	18
Colon	18	18	Seoul	18	18
Hankow	18	18	Singapore	27	27
Hong Kong	18	18	Tokyo	18	18
Kobe	18	18	Washington	18	18
London	8	8	Wellington	18	18
Lyons	15	15	Yokohama	18	18
Manila	27	27			
Medan	18	18			
Perth	18	18			
Rangoon	18	18			
San Francisco	18	18			
Singapore	27	27			
Sourabaya	18	18			
Tientsin	18	18			
Yokohama	18	18			

## A fine performer from Tyndall

# London Wall Extra Income Growth Units

Estimated Current Gross Yield (8.2.79) Capital Growth of distribution units since launch in February 1976

**10.56% 64.0%**

This unit trust in The Tyndall Group aims to produce a high and increasing income coupled with capital growth by investing mainly in equities. The 64.0% rise in the offer price of the distribution units since the launch compares with 12.7% for the F.T. Ordinary Index for the same period.

Investors in this trust have fared much better than they would have done in any fixed interest investment. Remember that the price of units and the income from them can go down as well as up.

You should regard your investment as long term.

**Important details**

Units, which are dealt in the open market, will be sold at the offer price plus commission. Payment will be made by cheque or cash. The offer price is 100p. The offer price is 100p. The offer price is 100p.

## APPLICATION FOR UNITS

To: The Tyndall Group, 16 Canynge Road, Blandford, Dorset, Blandford, Dorset, Blandford, Dorset.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## A Tyndall Group Unit Trust

Registered at the Post Office, Printed by St. Clement's Press for and published by the Financial Times Ltd., Brackley House, Cannon Street, London, EC4A 3DF. © The Financial Times Ltd. 1979.